

AN *Tasse 25. 3-5*
ESSAY
ON THE
PUBLICK DEBTS
Of this KINGDOM.

WHEREIN

The Importance of discharging them is considered; the Provisions for that Purpose by the SINKING FUND, and the Progress therein hitherto made, are stated and explained; the Sufficiency of those Provisions are demonstrated; some general Mistakes about the Nature and Efficacy of this Expedient examined and removed; and the Progress of the Sinking Fund described and computed from *Midsummer, 1727.*

To which is subjoined,

An Enquiry into the General Convenience of reducing farther the Interest of our Publick Debts below 4 per Cent. per Annum.

In a LETTER to a MEMBER of the
HOUSE of COMMONS.

The SECOND EDITION.

LONDON:

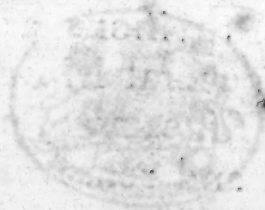
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By S^r Rob^t Walpole

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25

OF THE
UNITED STATES
FOR THE YEAR 1880





THE
PREFACE.

Here may perhaps appear something too assuming in the Attempts of an Author, to inform the Publick, or to direct their Sentiments about Matters of general Importance, to admit of a better Reception or Entertainment from the Town than what Performances of this kind have of late Years generally met with. I have thought

A 2 there-

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therefore, that it may not be improper to mention my Reason for the Publication of the following Sheets, as an Apology for it with the Reader; to whom I can with great Truth and Sincerity represent, that I should never have thought any Knowledge which I had, or any Discoveries in my Power, of our Circumstances with regard to our present Debts, worth the publick Notice, if I had not frequently met with some Mistakes on this Subject, which appeared to me very generally to prevail, and firmly to be insisted on and believed much to the Disadvantage of our Publick Credit, and which at the same Time I have flattered my self, might be confuted and removed, from such Informations only as I should be able, on this Occasion, to collect. I have so often heard it affirmed, that our Publick Debts have increased upon us since the Provisions made for the Discharge of them, that it has sometimes seemed to me to be the more common Opinion even of those Persons who are most interested to be rightly
in.

The PREFACE, V

informed in this Particular; and have almost as often heard it from hence inferred, that those Provisions are therefore insufficient to answer the Expectations we are supposed to have from them. And from the bad Influence that the Belief of this Assertion, and the Inference from it, must have on our Publick Credit, especially when it falls in with any general Apprehensions for the Publick Peace or Welfare on any other Account, I have been induced to think, that as this Fact is not true, nor the Inference from it rightly made, it would be of general Convenience that they were publickly contradicted, and proved to be otherwise; and that this were better done from that less exact and partial Information which I have been able to come at upon this Subject, than not done at all, or perpetually put off in Expectation of it's being some time done by such Persons who have the exactest Knowledge of our Circumstances in this Respect, or the best Capacity for improving it for this Purpose.

Nor

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Nor should I have been diverted from communicating the few or partial Discoveries that the following Sheets may be thought to contain, by being told, that such Misrepresentations of our Circumstances were made with Design only, and by Persons who better than my self knew the State of our Affairs in this Respect; because in this Case in particular, it appears to be the Publick Interest, that the Truth should be as generally known as may be, and that every Person who is or may be an Adventurer in our Publick Funds, should, as distinctly as can be, understand the Provisions that have been made for supporting the Credit of them.

What I have farther added beyond the General Design, by which I was at first engaged to write upon this Subject, the Reader will judge of on the Perusal of it. I am not insensible that there are several Parts of this Performance open to Exceptions; but I have more hopes of the Reader's Indulgence
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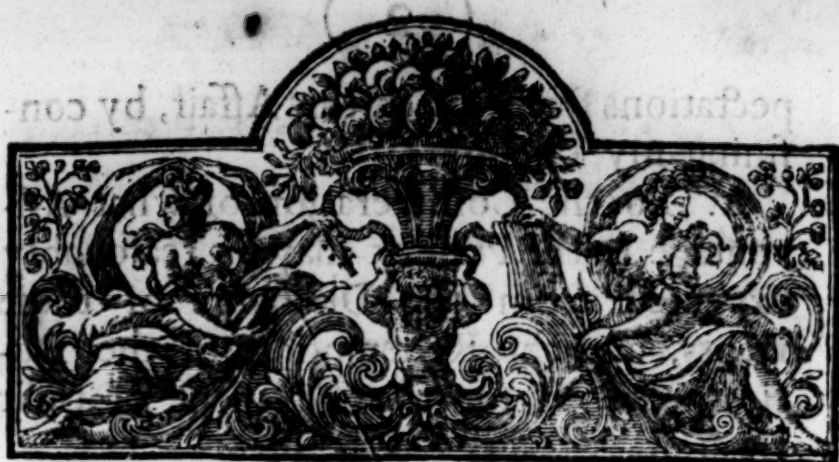
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to these Faults as they shall occur to him, than I have that he will forgive the Recital of them here, or my detaining him by endeavouring in this place to explain away or obviate any Exceptions of this kind. I shall therefore mention but two Particulars, in which I may be thought more than once to have offended. One is, that I have not every where used the utmost Exactness in supposing, stating, or describing the Publick Debts, or the Variations in them. To this Fault, as often as I have been guilty of it from any other Cause than my want of Materials for that purpose, I have been chiefly induced by the Views of being thereby more intelligible: Having presumed that it would be better to omit any such Degrees of Exactness in this respect, as was more than sufficient to answer the General Design of this Essay, which would at the same Time render it more tedious and perplexing. I have also for much the same Reason, been induced to content my self with the Use of some Words in what
has

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has seemed to me to have been their more ordinary Acceptation, when applied to this Subject; which in a longer or more elaborate Enquiry, I should have thought my self obliged to define and explain distinctly before I ventur'd upon the Use of them.





AN
ESSAY
ON THE
PUBLICK DEBTS.

*In a Letter to a Member of the
HOUSE of COMMONS.*

S I R,

UPON recollecting the
Conversation that was
the Occasion of your
desiring my Thoughts
in Writing on the Sub-
ject of our Publick
Debts; I have conclu-
ded, that I should best answer your Ex-
pecta-

pectations from me in this Affair, by confining my Thoughts,

1. To the Consideration of what Advantage to the Publick may be reasonably expected from the Discharge of those Debts, and the Redemption of the Duties provided for the Payment of their Interest.

2. To an Enquiry into the Reasons we have at present to expect or hope that these Debts, or any considerable Part of them, will within any reasonable Compass of Time be discharged and paid off. And,

3. To such Reflections as have occurred to me upon those Measures that may for the future be enter'd upon, for the more speedy and effectual Discharge of our present Debts, from the Income of the *Sinking Fund* already provided for that purpose; or for still farther increasing the annual Income of that Fund by such Reductions as may yet be made in the Interest or Annuities payable for the principal Sums of which the present Debt consists.

As to the first of these, or the Advantage arising to the Publick by the Discharge of the present Debts; there seems to be but little room to enlarge, after the Consideration of that great annual

nual Revenue at present levy'd and applied to the Payment of our Debts, which, after the total Discharge of them, will, without any Loss or Injury to private Persons, be redeemed to and become the Property of the Publick. The present yearly Expence to the Government, on Account of our Publick Debts, computing the annual Income of the Sinking Fund and the yearly Interest of those Debts together, will be found to amount to little less than, if not to exceed, the Sum of 3,000000 £. A Revenue exceeding the whole farther annual Expence of our Civil and Military Government in a Time of Peace; and which, together with the ordinary Supplies which our Government requires in a Time of Peace, may perhaps be a Fund sufficient to answer our utmost probable Expences during the most expensive War.

I do not think my self at Liberty to suppose, or promise it as one Advantage arising to the Publick from the Discharge of the present Debts, that the several Duties appropriated to the Payment of them will, as soon as they are redeemed, be immediately removed or determined; for Reasons, which in the following Sheets I shall have a further Occasion to mention: When I shall recommend it

to be considered, whether the Revenues arising from those Duties, or the greatest Part of them, are not raised with more Ease, greater Equality, and more to the common Benefit of the Subjects of *Great-Britain*, than some Part of the Supplies that are annually voted for the current Service of the Year; and consequently, how far it may be reasonable to substitute a great Part of the Revenues arising from those Duties, after the Redemption of them, in the Place of our annual Taxes. But it will, I presume, appear no small Convenience to the Publick, arising from the Redemption of the aforesaid Duties, that when they shall be no longer appropriated to the Payment of our Debts, the principal Difficulty will be removed, which has at any Time obstructed the Removal or Lessening any of these Duties, though the Convenience of the Publick may, upon other Accounts, have perswaded to it; either as such Duties may have appeared to give too great Perplexity to Persons employed in Trade, or to prevent or obstruct any profitable Branch of our Commerce with Foreign Countries; as they may have been thought to require too strict an Enquiry, or too great Severity or Expence in the collecting them;

as

as by being laid on any Commodities universally necessary, they may have seemed too great a Burthen on the poorest of our Inhabitants; or as by bearing too great a Proportion to the Bulk of the Commodities on which they have been laid, they may have made the Gain arising from defrauding the Publick, or the Temptation to attempt it, bear too great a Proportion to the Hazard of being discovered; or, as in any other Respect they may be found to be attended with general Inconvenience, or unreasonable Hardship on particular Persons, Employments or Conditions of Life amongst us.

And however it shall be determined, after the Discharge of our present Debts, as to the Continuance or Removal of the Whole or any Part of the Duties appropriated for the Payment of them; the Revenues arising from them being redeemed will become the Property of the Publick, and if not from thenceforth removed, will be employed in the room of and take away the Occasion for such other Taxes, as shall then appear a greater Burthen to or to be more unequally levied upon the Subjects of this Kingdom.

Having mentioned the Quantity of annual Expence to the Government, oc-

caſioned by our Publick Debts, it ſeems unneceſſary to proceed further in proving the Importance of diſcharging them, or to deſcend to or enumerate any further Inconveniencies, that upon this Account we labour under. An uncomfortable Employment! and which, I hope, I ſhall be excuſed from, for this further Reaſon; That the Inconvenience of our preſent Debts, and the Importance of diſcharging them, are ſo univerſally believed and felt, and ſo unanimoſly agreed to, that I know none of my Fellow-Subjects who want to be convinced of them. I ſhall proceed therefore to what I propoſed in the

2d place, To make out the Probability, and repreſent the Reaſons we have to hope, that the preſent Publick Debts will, within the Compaſs of a few Years, be effectually and honourably diſcharged.

What I have chiefly propoſed under this Head, is to deſcribe and explain, as far as my Materials for that purpoſe will carry me, thoſe Meaſures which have been already taken for the Diſcharge of our Publick Debts by the Proviſion of the Sinking Fund. To which Attempt, though this Proviſion has already been made as Publick as our Acts of Parliament, and though the Operation and Progreſs

gress of it, in the Discharge of our Debts, is without any Difficulty to be computed, I find my self induced, from that general Suspicion of the Inefficacy of this Provision to answer the Ends proposed by it; and which seems to have prevailed amongst some People, who have either not had Leisure for that purpose, or who have declined the Trouble of collecting the Materials for, or making those Computations from them which are requisite, in order to their Satisfaction about the Use and Efficacy of the Sinking Fund.

The first material Provision that was made for discharging the Principal of our present Debts, was enacted in the Third Year of his present Majesty's Reign, by Three several Acts of Parliament at that Time made; the first of which (in the Order that they should have been printed amongst the Statutes published for that Sessions) is intituled, *An Act for redeeming several Funds of the Governour and Company of the Bank of England, pursuant to former Provisoes of Redemption; and for securing to them several new Funds and Allowances redeemable by Parliament; and for obliging them to advance further Sums, not exceeding 2500000 l. at 5 per Cent. as shall be found necessary to be employed in lessening the*

national Debts and Incumbrances; and for continuing certain Provisions formerly made for the Expences of his Majesty's Civil Government, and for the Payment of Annuities formerly purchased at the Rate of 5 per Cent. and for other Purposes in this Act mentioned, Page 331. The Second, intitled, An Act for Redeeming the yearly Fund of of the South-Sea Company (being after the Rate of Six Pound per Cent. per Annum. and settling on the said Company a yearly Fund after the Rate of 5 per Cent. per Ann. and to raise for an Annuity or Annuities, at 5 per Cent. per An. any Sum not exceeding 2,000000 l. to be employed in lessening the National Debts and Incumbrances, and for making the said New yearly Fund and Annuities to be hereafter redeemable in the Time and Manner thereby prescribed, pag. 375. And the Third, intitled, An Act for Redeeming the Duties and Revenues which were settled to pay off Principal and Interest on the Orders made forth on Four Lottery Acts, passed in the 9th and 10th Years of her late Majesty's Reign; and for Redeeming certain Annuities payable on Orders, according to a former Act in that Behalf; and for establishing a General Yearly Fund, &c. pag. 291. The

The *Sinking Fund* of late Years, called so from its being understood to be appropriated to the Sinking and Discharging, as far as it will go, the Principal Sums of the present Publick Debt, is made up of Money arising yearly into the *Exchequer*, as the Surplus of the Produce of Three several Funds established by the Three aforesaid Acts of Parliament, by the Names of *the Aggregate Fund*, *the South-Sea Fund*, and *the General Fund*; the Surplusses of which Three Funds, or what they annually produce more than the yearly Sums to the Payment of which they are first appropriated, are by the last of the aforesaid Acts of Parliament reserved for, and made applicable only to, the Discharge of the Principal and Interest of such Debts as had been before the Year 1716 contracted and provided for by Parliament. The yearly Sums to the Payment of which those Funds are first appropriated (except the Sum of 700000 *l. per Ann.* to his Majesty for the Expence of his Civil Government) are generally the Interest or Annuities payable for several principal Sums, of which our Publick Debts consist. As often therefore as any of those principal Sums are paid off, or the Proprietors of any Part of the Publick Debt

are

are induced to accept of a less Interest or Annuity for the same principal Sums, the Sinking Fund is understood to increase by the yearly Addition of the Interest of such Sums as are paid off, or the Abatement of the Annuity for such Part of the Publick Debt as is agreed to be continued at a lower Rate of Interest. But the Duties, the Surplus of which the Sinking Fund consists of, not bringing in every Year an equal Sum of Money, the Surplus likewise is not every Year alike; and therefore, in order to compute in what Time the present Publick Debt may be discharged by the Sinking Fund, it is necessary to enquire from what different annual Sums have of late Years been produced by it, what yearly Sum it is reasonable to suppose may for the future be produced by it at a Medium or one Year with another. To which yearly Sum we are from Time to Time to add the yearly Interest or Annuity of such principal Sums, part of the present Publick Debt, as may be paid off by it; and all such Abatements of Interest of all or any Part of the Publick Debts, as are already agreed hereafter to take Place, or may for the future be agreed to by any of the Creditors to the Publick.

There

(II)

There are a great many Particulars which you will see, *Sir*, I must want the Knowledge of, in order to make this Supposition with any great Exactness. I could wish here to be able to state the Produce of the several particular Duties, the Excesses of which constitute and supply the Sinking Fund; the different Sums produced by them in different Years, from the Times they were severally granted; to assign the most probable Causes of their Variation, and from thence infer the Probability of their producing more or less for the future: But however unprovided I am with Materials for an Inquiry of this kind, it may be yet worth while to proceed in describing the Proportions in which any determined yearly Sum (though by mistake) supposed to be the present yearly Produce at a Medium of the Sinking Fund, will increase, when apply'd to the Payment of the Publick Debts; as those Proportions will be the same with those in which any other Sum, with more Truth or Probability supposed to be produced one Year with another by the Sinking Fund, will increase when apply'd to the same Purpose.

The

The best Account I have been able to get of the Produce of the Sinking Fund for some Years last past lies now before me, and states the Produce of the Surplusses of the several Funds, commonly called *the Aggregate Fund*, the *General Fund* and the *South-Sea Fund*, (the Sum of which Surplusses our Acts of Parliament call the *Sinking Fund*) to be from the 31st of *December* 1722, to the same Time in the Year 1723, 619000 *l.* and upward; and the Produce of the same Surplusses from thence to the 31st of *December* 1724, to amount to upwards of 653000 *l.* This Amount of the Produce of the Sinking Fund for the two Years above-mention'd, exceeds the Produce of the same Fund for some Years before, by a greater Sum than can be accounted for by the Discharge or Reduction of the Interest of any Part of the Publick Debt before that Time; and which therefore I am inclined to attribute to several Provisions about that Time made by the Legislature, for preventing Frauds in the Payment, and for the more fully and effectually collecting of several Duties which in part supply the Revenues appropriated to the Payment of our Publick Debts; and of which Provisions I would hope we may long enjoy the

Benefit

Benefit in the Increase of the Sinking Fund. And from hence, I should think, we might venture to expect an annual Produce from the Sinking Fund for the future, equal to the Produce of the same Fund at a Medium for the two Years above-mentioned, ending in *December 1724*; and increasing by the yearly Addition of the Interest of such Principal Sums as may be henceforth paid off, and of the Abatements of the Interest or Annuities of any of the Publick Debts when the same shall take place, that already are or may hereafter be agreed for.

The Abatements of Interest in the Year 1727 are so considerable, and the Time when they are to take place so near, that I believe it will be thought reasonable to step forwards to the Time when the Sinking Fund will be increased by the Addition of those Abatements; and from that Time to consider the Progress that may be made in discharging the present Publick Debt by the Sinking Fund.

From *Midsummer* in the Year 1727, it is already provided, that the Sinking Fund be increased by the Reduction of the Interest from 5 to 4 *per Cent.* or an Abatement of 1 *per Cent. per Annum* on the Principal Sums following.

On

On 13061878 *l.* being the Amount of the Publick Debt to the *South-Sea* Company, excluding 3839363 *l.* part of it, for which an Annuity at 4 *per Cent.* only is at present payable.

130618 15 07

On 16901241 *l.* 17 *s.* of the *South-Sea* Annuities.

169012 08 04

On 3775027 17 10 $\frac{1}{2}$ part of the Debt to the Bank of *England*.

37750 05 6 $\frac{3}{4}$

On 4000000 *l.* farther part of the Debt to the Bank of *England*, purchased by them of the *South-Sea* Company.

40000 00 00

To this, if the Annual Income of the Sinking Fund on the 31st of *Decemb.* 1724 be added, supposed to be

600000 00 00

And

And the Increase of it by the Discharge of 600000 *l. per Annum* of such *Exchequer* Bills as remained uncanceled on the 31st of *Decemb.* 1724, and are made payable out of the Sinking Fund from the said 31st of *December*, to the 24th of *June* 1727, viz. the Interest and Charge of circulating 1500000 *l. Exchequer* Bills at 3 per Cent.

45000 00 00

1022381 09 05

The Amount of the said several annual Sums will be upward of 1022000 *l.* the Produce of the Sinking Fund from the 24th of *June* 1727.

The Publick Debts on the 31st of *December* 1724, are stated to amount to 52363471 *l.* or thereabouts: From which, if it be allow'd me to deduct 1500000 *l. Exchequer* Bills above supposed to be paid off by the Sinking Fund on the 24th of *June* 1727, and such further Principal Sums as Provision is made for the Discharge of otherwise than by the Sinking Fund, the

the Remainder to be paid off on the 24th of *June* 1727, will be considerably less than 50 Millions. Which Sum however, (that I may not be thought to strain Matters in Favour of this Scheme of discharging the Publick Debts by a Sinking Fund) I will suppose to be the Principal Debt to be paid off on the 24th of *June* 1727, and the annual Produce of the Sinking Fund to be from the same Time One Million only. I will likewise suppose, (as is most generally true) that the above-mentioned Principal Sum of 50 Millions, will from the same Time carry Interest after the Rate of 4 *per Cent*. And because there are some Persons so sanguine to imagine, that by Force of our Sinking Fund, or some Schemes formed upon it, the same Debt may be still further reduced to a lower Rate of Interest, and the Sinking Fund increased further by such Reduction; I will likewise suppose such a Scheme to have taken effect, and the above-mention'd Principal Sum to carry 3 *per Cent*, Interest only, and the annual Produce of the Sinking Fund to be increased by an Abatement of 1 *per Cent*. Interest on 50 Millions, to 1500000. Upon both which Suppositions, I shall subjoin a Computation, describing in what Number of Years, from *Midsummer* 1727, the

be paid on by 10 much as two Days.			
11	11	11	11
12	12	12	12
13	13	13	13
14	14	14	14
15	15	15	15
16	16	16	16
17	17	17	17
18	18	18	18
19	19	19	19
20	20	20	20
21	21	21	21
22	22	22	22
23	23	23	23
24	24	24	24
25	25	25	25
26	26	26	26
27	27	27	27
28	28	28	28
29	29	29	29
30	30	30	30
31	31	31	31
32	32	32	32
33	33	33	33
34	34	34	34
35	35	35	35
36	36	36	36
37	37	37	37
38	38	38	38
39	39	39	39
40	40	40	40
41	41	41	41
42	42	42	42
43	43	43	43
44	44	44	44
45	45	45	45
46	46	46	46
47	47	47	47
48	48	48	48
49	49	49	49
50	50	50	50
51	51	51	51
52	52	52	52
53	53	53	53
54	54	54	54
55	55	55	55
56	56	56	56
57	57	57	57
58	58	58	58
59	59	59	59
60	60	60	60
61	61	61	61
62	62	62	62
63	63	63	63
64	64	64	64
65	65	65	65
66	66	66	66
67	67	67	67
68	68	68	68
69	69	69	69
70	70	70	70
71	71	71	71
72	72	72	72
73	73	73	73
74	74	74	74
75	75	75	75
76	76	76	76
77	77	77	77
78	78	78	78
79	79	79	79
80	80	80	80
81	81	81	81
82	82	82	82
83	83	83	83
84	84	84	84
85	85	85	85
86	86	86	86
87	87	87	87
88	88	88	88
89	89	89	89
90	90	90	90
91	91	91	91
92	92	92	92
93	93	93	93
94	94	94	94
95	95	95	95
96	96	96	96
97	97	97	97
98	98	98	98
99	99	99	99
100	100	100	100

Computation at 4 l. per Cent.

	Payments made at Midsum- mer every Year.			Total of all the Pay- ments from the Begin- ning in every Year.		
1728	1000000	00	00	1000000	00	00
	40000	00	00			
29	1040000	00	00	2040000	00	00
	41600	00	00			
30	1081600	00	00	3121600	00	00
	43264	00	00			
31	1124864			4246464	00	00
	44994	11	$2\frac{3}{8}$			
32	1169858	11	$2\frac{3}{8}$	5416322	11	$2\frac{3}{8}$
	46794	06	$10\frac{1}{8}$			
33	1216652	18	$0\frac{1}{2}$	6632975	09	$\frac{7}{8}$
	48666	02	$3\frac{1}{4}$			
34	1265319	00	$4\frac{1}{4}$	7898294	09	$5\frac{1}{8}$
	50612	15	$2\frac{1}{2}$			
35	1315931	15	$6\frac{1}{4}$	9214226	04	$11\frac{7}{8}$
	52637	05	5			
36	1368569	00	$11\frac{1}{4}$	10582795	05	$10\frac{1}{8}$
	54742	15	$02\frac{3}{8}$			
37	1423311	16	$02\frac{3}{8}$	12006107	02	$0\frac{3}{4}$
	56932	09	05			
38	1480244	05	$7\frac{1}{2}$	13486351	07	$8\frac{1}{4}$
	59209	15	$2\frac{1}{2}$			
39	1539454	00	10	15025805	08	$6\frac{1}{4}$
	61578	03	$02\frac{1}{4}$			
40	1601032	04	$0\frac{3}{4}$	16626837	12	07
	64041	05	$9\frac{3}{4}$			
41	1665073	09	10	18291911	02	05
	66602	18	$9\frac{1}{2}$			
42	1731676	08	$7\frac{1}{2}$	20023587	11	$0\frac{1}{2}$
	69267	01	$1\frac{1}{4}$			

Computation at 3 1/2 per Cent.

	Payments made at Midsum- mer in e- very Year.			Total of all the Payments from the be- ginning in e- very Year.		
1728	1500000	1	0	1,500000	0	0
	45000	0	0			
29	1545000	1	0	3,045000	1	1
	46350	0	0		0	0
30	1591350	1	0	4,636350	0	0
	47740	10	0			
31	1639090	10	0	6,275440	10	0
	49272	14	0			
32	1688363	4	0	7,963803	14	0
	50650	17	4 1/2			
33	1739014	1	4 1/2	9,702817	15	4 1/2
	52170	8	5 1/4			
34	1791184	9	9 1/4	11,494002	5	1 1/4
	53735	10	8 1/4			
35	1844920	0	6	13,338922	5	7 1/4
	55347	12				
36	1900267	12	6	15,239189	18	1 1/4
	57008	0	6 1/4			
37	1957275	13	1 1/4	17 196465	11	2
	58718	0	6 1/2			
38	2015993	13	6 1/4	19212459	4	8 1/4
	60479	16	2 1/2			
39	2076473	9	8 1/4	21,289032	14	5
	62544	4	1			
40	2139017	13	9 1/4	23,428050	8	3/4
	64170	10	7 1/4			
41	2203188	4	5 1/2	25,631238	12	7 1/4
	66095	12	11 1/4			
42	2269283	17	4 1/4	27,900522	10	0
	68078	10	3 1/4			

Computation at 4 l. per Cent.

	Payments made at Midsummer in every Year.			Total of all the Payments from the Beginning in every Year.		
1743	1800943	09	09 $\frac{1}{4}$	21824531	00	09 $\frac{3}{4}$
	72037	14	09 $\frac{1}{2}$			
44	1872981	04	06 $\frac{3}{4}$	23697512	05	03 $\frac{1}{2}$
	74919	04	11 $\frac{3}{4}$			
45	1947900	09	06 $\frac{1}{2}$	25645412	14	10
	77916	00	04 $\frac{1}{2}$			
46	2025816	09	11	27671229	04	09
	81032	13	02 $\frac{1}{4}$			
47	2106849	03	01 $\frac{1}{4}$	29778078	07	10 $\frac{1}{4}$
	84273	19	03 $\frac{1}{4}$			
48	2191123	02	05	31969201	10	03 $\frac{1}{4}$
	87644	18	06			
49	2278768	00	11	34247969	11	02 $\frac{1}{4}$
	91150	14	01			
50	2369918	15	00	36617988	06	02 $\frac{1}{4}$
	94796	15	00			
51	2464715	10	00	39082703	16	02 $\frac{1}{4}$
	98588	12	04 $\frac{3}{4}$			
52	2563304	02	04 $\frac{3}{4}$	41646007	18	07
	102532	03	03 $\frac{1}{2}$			
53	2665836	05	08 $\frac{1}{4}$	44311844	04	03 $\frac{1}{4}$
	106633	09	00 $\frac{1}{2}$			
54	2772469	14	08 $\frac{3}{4}$	47094313	19	00
	110898	15	09 $\frac{1}{2}$			
55	2883368	10	00 $\frac{1}{4}$	49977682	09	06 $\frac{1}{4}$
	115334	14	09 $\frac{3}{4}$	22317	10	05 $\frac{3}{4}$
56	2998703	05	04	50000000	00	00
	1296	14	08			
	3000000	00	00			

Computation at 3 l. per Cent.

	Payments made at Midsum- mer every Year.			Total of all the Payments from the be- ginning in e- very Year.		
1743	2337362	7	8½	30,237884	17	8½
	70120	17	5			
44	2407483	05	1½	32,645368	2	10
	72224	9	1½			
45	2479707	15	1	35,125075	17	11
	74391	4	7½			
46	2554098	19	8½	37,679174	17	7½
	76622	19	4½			
47	2630721	19	1	40,309896	16	8½
	78921	13	2			
48	2709643	12	3	43,019540	8	11½
	81289	6	2			
49	2790932	18	5	45,810473	7	4½
	83727	19	9			
50	2874660	18	2	48,685134	5	6½
	86239	16	8½	1,314865	14	5½
51	2960900	14	10½	50,000000		
½	39099	5	1½			
	3000000	0	0			

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You

You will be pleased to observe, *Sir*, That the annual Income of the Sinking Fund, in this manner applyed to the Discharge of the Principal of the Publick Debts, increases yearly in the same manner and Proportion as a Principal Sum put out and continued at compound Interest, or Interest upon Interest, at such a Rate of Interest as the Principal Sum to be paid off is supposed to carry: That the Increase of it in every Year, is by the Interest of that Principal Sum which was paid off in the Year next before it; and that the whole of the Increase of it in any one Year, from the Beginning to apply it in Discharge of the Principal Debt, is the Sum of the Interest of all the Principal Sums that have been in the Year before paid off by it: And that the whole of the Debt proposed to be paid off by a Sinking Fund in this manner applyed, will be compleatly discharged the Year before the Sinking Fund itself is increased, by the Addition of the whole Interest of the Debt to be paid off.

From which Observations, it will be easy to compute the Progress of any other annual Sum, greater or less, than what I have supposed to be the Produce of the Sinking Fund in the Year 1727, in the Payment of a Principal Sum of 50 Millions,

lions, at 4 *per Cent.* or any other Rate of Interest, or any other Principal Sum which you may think it more reasonable (as our Affairs now stand) to provide for the Payment of, by the common Rules for calculating the Increase of Principal Sums continued at compound Interest.

In the use of which Rules, you will find, *Sir*, If you should think it more reasonable to set the Income of the Sinking Fund, from the Year 1727, at 800000 *l.* or (as some Persons have represented it) at 1200000 *l. per Annum*, that a Debt of 50 Millions, carrying 4 *per Cent* Interest, would in the first of these Cases be paid off in about 32 Years, and in the other in 25 Years and one Month; or if in either Case the Sinking Fund should be supposed to be increased by 500000 *l. per Annum* added to it, from the Interest of the same Debt, reduced to 3 *per Cent.* from the same Time, it would appear that it might be fully discharged and paid off, by a Sinking Fund of 1300000 *l. per Ann.* in about 25 Years, and by a Sinking Fund of 1700000 *l.* in 21 Years and 8 Months, or thereabouts.

But to whatever may in this manner be observed or proved, relating to the Efficacy or Progress of the Sinking Fund in-

creasing annually by Addition of the Interest of such Debts as are discharged by it, I have heard it objected and strongly insisted on to be true, that our Publick Debts have been far from decreasing or made less since the Contrivance and Application of this Expedient for that purpose; but, on the contrary, have been growing upon us, and are now considerably greater than they were about the Time when the Surplusses of several Funds were first appropriated to the Discharge of those Debts. And this melancholy Circumstance the same Persons aggravate, with observing, that the Increase of our Debts has been in a Time of almost uninterrupted Peace; and infer, that our Debts must increase still faster upon us, in case of any Publick Troubles.

I have often wondered how so uncomfortable a Mistake could so generally prevail, against the Testimony that the Memory of every Person at all acquainted with Publick Transactions of this kind must bear, that our Publick Loans of late Years (except such as have been made on Funds provided to discharge the Monies advanced upon them within the Year,) have not been equal to the Sums that have within the same time been paid off; till upon further Enquiry upon this Subject,

ject, I have had put into my Hands Copies of Accounts, suppos'd to be made up at the *Exchequer*, stating the Totals of the Publick Debts for different Years to be greater considerably from the Year 1720, than in that Year, and in that Year to be more than in any Year before it. From which Accounts I cannot but think this Mistake must arise and prevail with Persons, who satisfy'd themselves with observing the Totals only, and have not attended to the particular Articles of which they were made up; but in examining the particular Articles of which those Totals are made up, they will find that the great Increase of Figures in the Description of our present Incumbrances, is not owing to any real Increase of their true Quantity.

In an Account now before me, of the Amount of the Publick Debts on the 31st *Dec.* in several Years, beginning in 1717, and ending in the Year 1724, the amount of the Publick Debts in the first of those Years is described to be 47894950 *l.* and in the last to be 52363471 *l.* Of which great Increase in the Description of our Debts, the chief Reasons are; First, the Subscription of several irredeemable Annuities for different Terms of Years into the *South-Sea Company's Stock*, in the Years 1719 and 1720; by which those Annuities

Annuities were converted into a redeemable Debt from the Government, and purchased back from the Proprietors at higher Rates, or a greater Number of Years Purchase, than were paid by the Proprietors for the same Annuities when they were first purchased from the Government. Before these Subscriptions made, this Part of our Publick Incumbrances is described in the aforesaid Account, by the Principal Sums originally advanced by the Proprietors on the Purchase of them; and afterwards by the Quantity of redeemable Debt, for which by Virtue of the aforesaid Subscriptions they were exchanged; which generally exceeds by four Years and one half's Purchase the Sum originally contributed by the Proprietors of those Annuities, and which upon the whole of the said Annuities at those different times subscribed amounts to about 3,155,858 *l*. This in the present View must, I think, be admitted to be no real Increase of the Publick Incumbrances, or at least not properly brought into the Account of those Years in which the aforesaid Subscriptions were made; those Subscriptions being well enough known and understood to have been of great Advantage to the Publick, and very much to have facilitated the Discharge of the Whole of our present Debts;

Debts; and it being very obvious, that whatever real Incumbrance has been growing upon us on Account of those Annuities, it is to be attributed only to the increasing Value of those Annuities, and to be computed from the Times of their being valued at higher Prices, and not from the Times of the Subscriptions above-mentioned, by which the further Increase of their Value was most fortunately prevented; and about which, all that we have to wish is, that it had been done sooner.

Another Article increasing in the aforesaid Accounts of the Publick Debts from the Year 1717 to the Year 1724, is of Army-Debentures, or Annuities charged and made payable out of the Fund commonly called the *General Fund*, after the Rate of 4 *per Cent.* for such Principal Sums, as in pursuance of several Acts of Parliament for appointing Commissioners to state the Debt due to the Army, have been certified to have been due for Services in the late War, and before the Year 1717. This, *Sir*, from 40157 *l.* 8 *s.* 5 *d.* which on the 31st of *Dec.* 1717 is only stated to be due from the Publick under this Article, is on the 31st of *Dec.* 1724. by the aforesaid Accounts described to amount to upwards of 2140157 *l.* But as this Debt was due before

before the Year 1717, in the present Inquiry, whether the Publick Debts are since that Time increased or no, this Sum is not the Quantity of it is determined, to be reckon'd in the Amount of the Publick Debt, as well in the Year 1717 as in the Year 1724; or, in other Words, to be consider'd as due from the Publick from the Time it was contracted, and not from the Time only when it was certified to be due.

Another Article increasing the Total Amount of the Publick Debts in the Year 1724 beyond that of the Year 1717 in the aforesaid Accounts, is, that 1000000 *l.* of *Exchequer* Notes made out and lent to the *South-Sea* Company in the Year 1720, and in that Year added to the Amount of the Publick Debts. This Sum, on the Repayment of it by the *South-Sea* Company, would have been deducted from the Amount of the Publick Debts in that Year in which it was repaid, if it had not been provided by a subsequent Act of Parliament, that the aforesaid *Exchequer* Notes should be cancelled and paid out of the Sinking Fund and that the Sum of 1000000 *l.* due from the *South-Sea* Company, should be applied, when paid, to the Discharge of a farther Million of *Exchequer* Notes made out for

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forth in the Year 1722, and upon which Money was raised for the Discharge of a like Sum in Arrear to the Navy; which said Sum of 1000000 *l.* being in this manner ultimately supplied out of the Sinking Fund, it is necessary to suppose it to have been due from the Publick before the Year 1716, the Sinking Fund being, as I have above observed, about that Time appropriated to the Discharge of such Debts only as were due before that Year; and consequently this Sum of 1000000 *l.* being in the Year 1717 owing, and in Arrear from the Government, should also in our present Inquiry about the Increase of the Publick Debts, be in that Year added to the Amount of them.

As should also for much the same kind of Reasons, the following less material Articles, *viz.*

Navy-Annuities, a	}	
Debt though before		
due, not brought into		
the Publick Accounts		
till the Year 1718.		110312 00 00

A further Provision	}	
for the Sufferers at		
Nevis and St. Christo-		
phers, about		
		41000 00 00

The

The Increase of a
Deficiency on the
East-India Company's
Fund stated in the Pub-
lick Accounts, to be
from the Year 1717
to the Year 1720, a-
bout

67500 00 0

A Sum in the Year
1723, raised for im-
mediate Service on the
Credit of *Exchequer*
Notes, the Payment of
which was at the same
Time provided for by
a Tax on the Estates
of *Roman Catholics*.

100000 00 0

To these Articles are
to be added the Three
First above-mention-
ed, *viz.*

The Increase com-
puted on the Subscrip-
tion of Irredeemables.

3155858 00 00

Of Army Deben-
tures.

2100000 00 00

And the Sum raised
for discharging Arrears
to the Navy.

1000000 00 00

The Amount of
which Sums together
is,

6574670 00 00

And this Sum, *Sir*, must be added to the above-mention'd Total of our Public Debts in the Year 1717, before the comparing it with the Total of the same Debts in the Year 1724 will truly determine how far our Debts are increased or grown less from one Time other. Let this then be done.

47894950 00 00
6574670 00 00

And the aforesaid Amount of our Debts in 1724, deducted from it

54469620 00 00
52363471 00 00
2106149 00 00

And it will appear, that our Debts are not in reality increased from the Year 1717, to the Year 1724; but, on the contrary, are diminished by the Sum of 2106149 *l.* or thereabouts.

The same Thing will appear from enumerating the Particulars of the real Increase or Decrease of our Debts from one Time to the other; of which, *Sir*, the following is very nearly a true Account, *viz.*

Money at different Times borrowed on the Duty on Coals for Building Churches, more than in the mean Time has been paid off by the particular Provision made for that purpose.

92778 02 00

Money borrowed
for the Service of the
Year 1719, more than
paid off by the Pro-
vision made for that
purpose on the 31st
of *December* 1724.

439300 00 00

Money borrowed on
the Plate Act for the
Service of the Year
1720.

312000 00 00

Total

844078 02 00

And this Sum of 844078 02 00 is
the whole Sum that our Debts can, with
any Propriety, be said to be increased by
from the Year 1717. Such other Sums
as have been since that Time borrowed
having been employ'd in Aid of the Sink-
ing Fund, and apply'd in Discharge of
some other Debts at a higher Interest; of
which the following (except what of
this kind has been already mentioned) is
likewise a true Account, *viz.*

Borrowed in the
Year 1719 by Lot-
tery,

500000 00 00

Advanced in the
same Year by the *South*
Sea Company on the
Increase of their Stock
and Funds, about

544142 00 00

Advanced in the
 Year 1723, towards
 the Discharge of the
 Lottery Annuities un-
 subscribed to the *South*
Sea Company, about

1000000 00 00

Total 2044142 00 00

By which Sum, together with the Sink-
 ing Fund, have been paid off from 1717
 to 1724, *viz.*

Of *Exchequer* Notes 2924612 00 00

Lottery Annuities
 unsubscribed } 1204786 00 00

Bank Annuities un-
 subscribed } 235297 00 00

Deficiency of the
East-India Company's
 Fund } 191028 00 00

Besides, there has
 been in the same Time
 paid in part of a Prin-
 cipal Debt contracted
 by two Lotteries in
 the Years 1713 and
 1714, by Provision
 for that purpose at
 the same Time made,
 about

429490 00 00

Total 4985213 00 00
 D From

From whence the
 Total of the last a-
 bove-mentioned Loans } 2044142 00 00
 being deducted, *viz.*

The Remainder 2941071 00 00
 will be the Sum of what has been paid
 off from the Year 1717 to the Year
 1724 by the Sinking Fund, or otherwise
 without the Assistance of those Loans.

And from thence 2941071 00 00

Let us farther de-
 duct the Total of the
 aforesaid Articles by
 which our Debts have } 844078 00 00
 really, in the mean
 Time, been encreased,
viz.

And that Remainder 2096993 00 00
 will be the Sum by which our Debts,
 within the aforesaid Seven Years, appear
 by this Computation really to have been
 diminished; differing indeed from that
 Sum which I have from the first Com-
 putation stated to be the Decrease of
 the Publick Debts in the same Time by
 near 10000 *l.* But which Difference, if I
 pretended to the utmost Exactness, might
 be removed, by either adding to the last
 Remainder, or reckoning amongst the
 Particulars by which our Debts have de-
 creased

creased within the Time aforesaid, the Value of such Annuities for Lives as within that Time have reverted to the Crown.

This Sum, perhaps, especially if it be farther reduced by the Deduction of One Million at Two different Times borrowed, to supply the Deficiencies of the Provision for the Expence of His Majesty's Civil Government, consider'd as Part of and an Addition to our Publick Debts, may be thought too inconsiderable a Diminution of our Debts to be boasted of as the Effects of this Expedient for so great a Length of Time. But as it is no real Objection to the Truth of those Computations which I have made, of the Progress of the Sinking Fund from the Year 1727, I presume it will likewise be no Discouragement to our Dependance on this Provision for the Payment of our Debts; especially after we have considered the great Addition that will be made to the Sinking Fund in the Year 1727, and have farther observed the much greater Dispatch which a yearly Sum applied to the Payment of any determined Debt at Interest, and increasing annually in the manner above described, will make in the Discharge of such a Debt in a few Years after the first

Application of it to that purpose, than it will do when it first begins in that Manner to be applied.

The little Progress, however, hitherto made in the Diminution of our Debts, leads me to the Examination of another Opinion, which I think I have observed to prevail with the same Persons, who affirm our Publick Debts to have increased upon us; which is, that upon the Supposition that such Debts are really increasing upon us by new Loans equal to or exceeding the Discharges made in the same Time by the Sinking Fund, the Sinking Fund is in such Case making no effectual Progress at all in the Diminution of our Debts. It is perhaps the more material to consider here, how far this Opinion is true, for this reason, that though this Supposition on which it is founded has not been true hitherto, it must be however admitted to be not improbable, that some future Exigencies of the Government may make such new Loans necessary, as may exceed any Sums in the same Compass of Time produced by or applied to the Discharge of our Debts from the Sinking Fund. And in this Case, upon the Supposition that such new Loans are made upon further Funds found out for Payment of the Interest of the Money

ney so to be advanced upon them, this Opinion, that the Sinking Fund applied as aforesaid would be making no effectual Advance to the compleat Discharge of the Whole of our Publick Debts, would not be true. This will be best explained, if during the Time that the above supposed Sinking Funds are employed in the Discharge of the aforesaid Debt of 50 Millions, the Whole of our Debts should be supposed, by new Loans upon further Funds borrowed at 4 or 3 *per Cent.* Interest, to be increased by a further Sum of 50 Millions, and that Sum to be discharged in the same Manner, and by the same Sinking Funds, after the Discharge of the first 50 Millions; or if the Account of the Progress of the above supposed Sinking Funds be carried on, till instead of 50 Millions they shall have discharged a principal Debt of 100 Millions.

D 3

From

Computation at 4 l. per Cent.

	Payments made at Midsum- mer every Year.		Total of all the Pay- ments from the Begin- ning in every Year.		
1755			49977682	09	06 $\frac{1}{4}$
56	2998703	05 04	52976385	14	10 $\frac{1}{4}$
	119948	02 07 $\frac{1}{4}$			
57	3118651	07 11 $\frac{1}{4}$	56095037	02	09 $\frac{1}{2}$
	124746	01 01 $\frac{1}{4}$			
58	3243397	09 00 $\frac{1}{2}$	59338434	11	10
	129735	17 11 $\frac{1}{2}$			
59	3373113	07 00	62711547	18	10
	134924	10 08			
60	3508037	17 08 $\frac{1}{2}$	66219585	16	05
	140321	10 03 $\frac{1}{2}$			
61	3648359	07 11 $\frac{1}{2}$	69867945	04	05 $\frac{1}{2}$
	145934	07 06			
62	3794293	15 05 $\frac{1}{2}$	73662238	19	11
	151771	15 00			
63	3946065	10 05 $\frac{1}{2}$	77608304	09	04 $\frac{1}{2}$
	157842	12 05 $\frac{1}{4}$			
64	4103908	02 10 $\frac{1}{4}$	81712212	12	03 $\frac{1}{4}$
	164156	06 06			
65	4268064	09 04 $\frac{1}{4}$	85980277	01	08
	170722	11 06 $\frac{1}{2}$			
66	4438787	00 11 $\frac{1}{4}$	90419064	02	07 $\frac{1}{4}$
	177551	09 06 $\frac{3}{4}$			
67	4616338	10 06	95035402	13	01 $\frac{1}{4}$
	184653	10 09 $\frac{1}{4}$			
68	4800992	01 03 $\frac{1}{4}$	99836394	14	05
	192039	13 07 $\frac{3}{4}$	163605	05	07
69	4993031	14 11 $\frac{1}{2}$	100000000	00	00
	6968	05 00 $\frac{1}{2}$			
	5000000	00 00			

Computation at 3 l. per Cent.

	Payments made at Midsum- mer in e- very Year.			Total of all the Payments from the Be- ginning in e- very Year.		
1750				48685134	05	06 $\frac{3}{4}$
51	2960900	14	10 $\frac{1}{2}$	51646034	00	05 $\frac{1}{4}$
	88827	00	05 $\frac{1}{2}$			
52	3049727	15	04	54695761	15	09 $\frac{1}{4}$
	91491	16	01 $\frac{3}{4}$			
53	3141219	11	05 $\frac{3}{4}$	57836981	07	03
	94236	11	07 $\frac{3}{4}$			
54	3235456	03	01 $\frac{1}{2}$	61072437	10	04 $\frac{1}{2}$
	97063	13	08 $\frac{1}{4}$			
55	3332519	16	09 $\frac{3}{4}$	64404957	07	02 $\frac{1}{4}$
	99975	11	10 $\frac{3}{4}$			
56	3432495	08	08 $\frac{1}{2}$	67837452	15	10 $\frac{3}{4}$
	102974	17	03			
57	3535470	05	11 $\frac{1}{2}$	71372923	01	10 $\frac{5}{4}$
	106064	02	02			
58	3641534	08	01 $\frac{1}{2}$	75014457	09	11 $\frac{3}{4}$
	109246	00	07 $\frac{3}{4}$			
59	3750780	08	09 $\frac{1}{4}$	78765237	18	09
	112523	08	03 $\frac{1}{4}$			
60	3863303	17	00 $\frac{1}{2}$	82628541	15	09 $\frac{1}{2}$
	115899	02	03 $\frac{3}{4}$			
61	3979202	19	04 $\frac{1}{4}$	86607744	15	01 $\frac{3}{4}$
	119376	01	10			
62	4098579	01	02 $\frac{1}{4}$	90706323	16	04
	122957	07	04 $\frac{1}{2}$			
63	4221536	08	06 $\frac{1}{4}$	94927860	04	10 $\frac{3}{4}$
	126646	01	09 $\frac{1}{4}$			
64	4348182	10	04	99276042	15	02 $\frac{3}{4}$
	130745	09	06	723957	04	09 $\frac{1}{4}$
65	4478927	19	10	100000000	00	
	21072	00	02			
	4500000	00	00			

From hence, *Sir*, it presently appears that the above supposed Sinking Funds, in this Manner increasing by the Addition of the Interest of the Principal Sums in every Year paid off, and consequently by Additions in every Year greater than those made to it in the Year before, will be sufficient not only to discharge our present Debts, but any probable Addition in the mean Time to be made to them by further Loans on new-invented Funds, in a few Years after the present Debts shall be discharged: And that the Time required for the Discharge of our Debts, increased by any Addition in this Manner made, will by no Means be lengthened out, or the Payment of the Whole of our Debts by the Sinking Fund retarded or delayed in Proportion to the Addition to or Increase of the Debt it self: The total Payment of our Publick Debts becoming by no Means desperate from any Sinking Fund, however less than those above supposed, upon Account of any determined Increase of or Additions made to them; unless those Additions are supposed to be continued increasing in every Year in the same or a greater Proportion to one another than that in which the Additions yearly made to the Sinking Fund increase. This is so true,

true, that Suppositions about the Increase of the Publick Debt might be carried to the utmost Extravagance, and still appear to be provided for by the above-mention'd Sinking Fund of 1000000 *L.* increasing at the Rate of 4 *per Cent.* Compound Interest; which, if it were worth while, might be shew'd to be sufficient, in about 105 Years, to pay off a Debt of 1575 Millions, allowing for the Increase of the present Debt of 50 Millions, by an Addition of 15 Millions in every Year in which that Sinking Fund should be so applied. Nor will this at all surprize Persons who have been accustomed to attend to the Increase of Money put out at Compound Interest, or Quantities continued in Geometrical Progression; an Enquiry into which will remove all Doubts about the Truth of what I have here advanced. It would however be true, that if at any Time, on the Discharge of any Part of the Principal of the present Debt, the Interest were not added to and applied in the further Discharge of the remaining Debt, but another equal or greater principal Sum should be borrowed on the same Annuity; the Progress of the Sinking Fund would by such Measures, if the same Sum were borrowed, be stop'd; and if a greater, be
put

put backwards : But as long as these Measures are not taken, or the Sinking Fund diverted or applied to any other Purpose than the Discharge of our Debts ; the full and effectual Payment of all our Debts by this Expedient, is by no Means to be despaired of from the Increase of them by new Loans on further Duties.

And that the Sinking Fund will, from Time to Time, be applied to the Discharge of the Publick Debts, and not be diverted or applied to any other Purpose whatsoever, is what, I think, we may securely promise our selves ; from considering that the aforesaid Fund has been appropriated to that Purpose by the Legislature, and our Publick Faith in the same Manner engaged to the Creditors of the Government, that the Surplus of the aforesaid Duties should be applied to the Discharge of the Principal of their Debts, as the Funds themselves to the Payment of the Interest or Annuities contracted for : Which Faith of the Publick in this Manner engaged, I think we have all the Reason in the World to believe will be as inviolably observed in this as in any other Part of their Contract with the Proprietors of the Publick Debts.

This Appropriation of the Sinking Fund to the Purpose aforesaid, you will find,
Sir,

Simil to have been made by the aforefaid
 Acts of Parliament. In the laft of which,
 taking them in that Order in which I
 have referred to them, *page* 320, after
 reciting that by the Two other Acts of
 Parliaments, the Surplusses of the *Ag-*
gregate and *South-Sea Funds* are pro-
 vided to be reserved to the Disposition
 of Parliament only ; it is enacted, That
 the Surplusses of the *General Fund* there-
 by created, should in like manner be ac-
 counted for and reserved for the Dispo-
 sition of Parliament. And then it is fur-
 ther enacted in the Words following,
 “ That all the Monies to arise from Time
 “ to Time, as well of or for the said Ex-
 “ cels or Surplus, by virtue of the said
 “ Act made for redeeming the Funds of
 “ the Governour and Company of the
 “ *Bank of England* [viz. the *Aggregate*
 “ *Fund*] and of or for the said Excess or
 “ Surplus, by virtue of the said Act for
 “ redeeming the Funds of the said Go-
 “ vernour and Company of Merchants
 “ trading to the *South-Seas*, &c. and of
 “ or for the said Excess or Surplus of
 “ the said Duties and Revenues by this
 “ Act appropriated as aforefaid, [viz. *the*
 “ *General Fund*] and the said Overplus
 “ Monies of the said General yearly
 “ Fund by this Act established or intend-
 “ ed

“ ed to be established as aforesaid, shall
 “ be appropriated, reserved, and im-
 “ ploy’d to and for the discharging the
 “ Principal and Interest of such National
 “ Debts and Incumbrances as were in-
 “ curred before the 25th of *Dec.* 1716,
 “ and are declared to be National Debts,
 “ and are provided for by Act of Par-
 “ liament in such Manner and Form as
 “ shall be directed and appointed by any
 “ future Act or Acts of Parliament to
 “ be discharged therewith or out of the
 “ same, and to and for none other Use,
 “ Intent or Purpose whatsoever”.

By these Words, I think, the Surplu-
 ses therein mention’d, of which the an-
 nual Income of the Sinking Fund is made
 up, sufficiently appear to have been ap-
 propriated by the Legislative Power to
 the Payment of our Publick Debts, till
 they shall be intirely discharged and paid
 off. Nor can this Provision well be un-
 derstood as made by the Government for
 what then appeared for publick Conve-
 nience only, and consequently to be al-
 tered by subsequent Acts whenever it
 shall appear, or be pretended to be o-
 therwise; but must, I think, be con-
 sidered as a Contract by the Govern-
 ment with the Publick Creditors, if the
 Occasion of these Acts of Parliament be
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attended to. In which Case it will appear, that the several Provisions by these Acts made, were enacted and proposed to the Creditors aforesaid, as Inducements to them to accept of an Interest or Annuity for their Debts by one Sixth Part less than that which till that Time they had received; of which the most obvious Inducement was, that what was thus deducted from the yearly Interest of their Debts, should be applied for the better securing and gradual Discharge of the Principal of the said Debts. To which Security, amongst the other Benefits by the same Acts of Parliament proposed to them, they must I think be considered to have intitled themselves by their Subscriptions afterwards made, subsequent to and in Consideration of such Proposals made to them by the Legislature. And whoever will be at the Trouble of turning over the several subsequent Acts of Parliament relating to the Public Debts, will find this Provision for the Application of the Sinking Fund frequently repeated and confirmed: And in Cases where by Act of Parliament Application of Monies in the Sinking Fund to the Discharge of Debts that were less obviously or less generally known to have been within the Description of the Debts intend-

intended by the Provision above-recited, such Debts have been by the Recitals declared and explained to have been Debts incurred before the 25th of *Dec.* 1716, and provided for by Parliament in a manner that has plainly intimated it to be understood by the Legislature, that the above-recited Provision was an Engagement or Contract of the Government with the Publick Creditors, about the punctual Observation of which from Time to Time they were intitled to have all possible Satisfaction; or at least, that the punctual Application of the above-mentioned Surplusses to the Discharge of our present Debts, was regarded by them as a Matter of the highest Consequence to the Publick Welfare. And as long as the the Publick Welfare shall be in the least regarded, and this continues to be the only Expedient for removing such heavy Incumbrances on our Affairs, and redeeming so considerable a Revenue to the Use of the Publick, I think we may confidently expect, that no Persons whatsoever, whose Hands the Administration of our Affairs may at any Time for the future be committed to, can ever be induced to approve of or recommend the Application of the Produce of the Sinking Fund in any possible Exigence of our Affairs,

Affairs, to any other Uses than those to which it stands now appropriated, though there were no other Considerations to enforce it.

For let us inquire a little, what publick Exigencies can be supposed to happen, that can make it at any Time advisable to divert or apply the Produce of the Sinking Fund to any other Purpose till after the intire Payment of our publick Debts. Let the Expence that the Circumstances of our Affairs may at any Time make necessary, be or be supposed to be ever so much more than what can be conveniently raised within the Year ; it must I think always appear more eligible in regard to the Publick Interest, as well as more easy to those Persons in the Administration, to whom the Care of providing the necessary Supplies shall at any Time be allotted, to raise what shall be further wanted by increasing the Publick Debt with further Loans upon Interest provided for by new Duties, than to supply the same Sums in any way from the Produce of the Sinking Fund.

The Computation that I have last made was to shew, That the Time in which the above supposed Sinking Fund of 1000000 £. will be sufficient to compleat the Discharge of the Publick Debts, will by no Means

Means increase equally to the Increase of the Principal Sum of those Debts by further Loans on new Funds: But it may be of further Use to shew, how much less the Increase of the Publick Debts, by borrowing further Sums at Interest provided for by new Funds, will retard the Discharge of the Whole of the Publick Debts, than the supplying the same Sums in any way from the Produce of the Sinking Fund would do. Let us suppose, for Instance, that the Government were obliged for 25 Years together to increase the present Debt, by a Million borrowed in every Year at an Interest of 4 *per Cent.* provided for by further Funds, the above-made Computation will shew that that additional Debt of 25 Millions would be paid off by a Sinking Fund of one Million, apply'd as is therein supposed, in little more than 7 Years after the Discharge of the present 50 Millions. But if the same Sum were to be supplied out of the Produce of the Sinking Fund, it is obvious that the Payment of the Publick Debts must stand still for 25 Years, and be by more than Two Thirds of that Time retarded beyond the Time in which they would otherwise be discharged, tho' increased as aforesaid; and the greater the Sum is supposed to be, that in these different

ferent Ways is to be supply'd, the greater will be the Proportion in which the Payment of our Debts will be delay'd, by supplying such Expences from the Sinking Fund than by the other way : Or if the Sums in these different Ways supply'd should be supposed less, the difference of the Delay in these two Cases will be indeed less : But on supposition of the smallest Sum to be these two different Ways supplied, the Delay arising to the Discharge of the Publick Debt by this Misapplication of the Sinking Fund, will be at least three times as great as that which will be occasioned by increasing the Publick Debt in the other Method.

The borrowing Money on the Income of the Sinking Fund in any Form, if no more were in any one Year borrow'd than what had been by the Sinking Fund the Year before paid off ; and if that Money be supposed to be borrowed at the same Rate of Interest that was payable for the Debt before paid off ; will have the same Effect in delaying the Payment of the Publick Debts, as the Misapplication of the Revenue of the Sinking Fund the Year before would have had : But if greater Sums be at any Time borrowed on that Fund, the Payment of the Publick Debts will not only be stopped,
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but put backwards; and that in a manner that obviously leads not only to delay the Payment of the Publick Debts, but the taking away intirely the only Security yet provided, that they shall ever be paid off. For which reason I shall not trouble you, *Sir*, with any Computation of the different Degrees in which different Steps in pursuing these Measures will affect us; but at once suppose it impossible that any Persons can propose to borrow Money, (or much less to succeed in it) on the Credit of Schemes that themselves destroy all probability of the Repayment of it; which, such Measures as these, must evidently appear to do, to those that consider, that we have already had the greatest Advantage from the Reduction of Interest that can with reason be hoped for in the Provision of the present Sinking Fund; which if we once part with in Exchange for an increased Principal Debt at a lower Rate of Interest only, it will be Madness to expect that either such a lower Rate of Interest, or any Alteration in our Circumstances for the better, will admit of the same kind of Provision to be made again for the Payment of our Debts increased by such Measures as these are.

I cannot therefore, *Sir*, amongst the ordinary Vicissitudes of the Affairs of any Nation, not even amongst any long and expensive Wars, that it may be necessary for the Defence and Safety of these Kingdoms to carry on with our Neighbours, find out that Exigence of our Affairs that can make the Misapplication of the Sinking Fund appear necessary, or probable to be put in Practice; while it is so certain, that the Lands, Estates, Expence, or Commerce of *Great-Britain*, will yet easily admit of farther Duties sufficient to furnish new Funds to answer the Interest of such Sums as any publick Occasions that I can represent to my self can call for. Nor can I fear, that such Duties will not be chearfully voted and submitted to, when they shall appear necessary to prevent the Misapplication of an annual Sum employed in so useful and necessary a Service to the Publick, as the Reduction of our Debts; while that appears to be retarded so much more by discontinuing the Payment of those Debts, than by the Increase of them.

There is another Objection to the Probability of the Payment of our Publick Debts, which if I did not frequently meet with, I should choose not to mention,

from my Apprehensions, that in stating of it as I have met with it, I should be obliged to mention my Superiours with less Decency, than that grateful Sense I have of the Happiness we enjoy under the present Reign would on all other Occasions lead me to, or than you, *Sir*, from the same Motives would expect from me. But as you are pleased to admit you have often met with it from others, you will give me leave to mention it, in my way to answer it. The Objection I mean is, That the Continuance of our Publick Debts is, and always must be, the Interest of Persons in the Administration; that the greatest Profit of their Employments arises from hence; and that the necessary Power and Influence to support themselves in those Employments, depend greatly on their having reserved to themselves the Disposition of the various Offices and Employments in collecting and applying the Revenues appropriated to the Payment of the Publick Debts; which, when those Debts shall be discharged, can subsist no longer.

Whatever Truth we should admit to be in this Objection, we have the Pleasure of observing, that it appears to be equally true; from the frequent and earnest

nest Recommendations from his Majesty of the necessary Measures for discharging the Publick Debts to the Care and Endeavours of the Legislature; the several Steps that have been taken by them; and the great and effectual Provision that is already made for this Purpose; that nothing can have been or will be more sincerely intended and endeavoured by his Majesty, or the Persons who have had or shall have the Honour to be employed by him.

But from the Sense I have just now professed to have of the Blessings we enjoy under the present Government, I must confess, I should with no Pleasure look forwards on that Period of Time, when his present Majesty or his Successors should be deprived of the Means of supporting it, or even of rewarding and encouraging the Fidelity and Services of their best Subjects. The chief Use therefore that I have proposed to make of this Objection, is to take an Occasion from it, of considering how far it is probable that such a Reform as is above supposed, of the various Employments in collecting and receiving the present Revenues, will take Place on the Discharge of the Publick Debts; or how far it is reasonable that it should do so. And this Suppo-

sition being founded on a Presumption, that the particular Duties now appropriated to the Payment of the Publick Debts will, after the Payment of them, be immediately removed, the Reasonableness of that Presumption will be the Matter in Question.

For the Purpose of this Inquiry, *Sir*, I should propose it to be consider'd, that the Support of our Government necessarily requires a considerable annual Expence, that is at present ordinarily supplied by other Taxes than those which have been provided to answer the Payment of the Publick Debts; that the present ordinary Provision for that annual Expence has been hitherto determined, rather by the Necessities of the Publick, than by Choice; and that it yet remains to be debated, how far the Duties at present appropriated to the Payment of our Debts, or Part of them, may, after the Discharge of those Debts, be continued and made to answer the ordinary annual Expence of our Government, more to the Advantage of the Publick, with less Burden and Expence to the particular Estates of his Majesty's Subjects in this Kingdom, and consistently with a more equal and reasonable Proportion of the Burthen or Expence by every Subject submitted to, to the Benefit

Benefit he receives from the Support of our Government, than is now done by the present Provision made for theafore-said ordinary annual Expence.

It is in vain to suppose, that the necessary Expences of a Government are to be supply'd by any Taxes that are no ways burthensome to the Whole or some Part of the Community, and consequently to which some Objections may not be dressed up by Persons interested in avoiding them; which Objections, however, when such Taxes appear necessary, it is unreasonable to propose or aggravate. I shall not therefore point out any Inequality or Hardship that I may apprehend to be in the ordinary annual Provision made amongst us by a Land-Tax; but content my self with making some Observations, tending to recommend the greatest Part of the Duties now appropriated to the Payment of our Debts, as the most convenient and reasonable Taxes to supply the ordinary Expence of our Government, when redeemed by the Payment of those Debts.

Upon enumerating the several Duties which at different Times have been provided to answer the Demands of the publick Creditors, it will appear that the greatest Part of them (whether collected

by Custom or Excise) have been laid upon Commodities in general Use and Consumption amongst that Part of the Inhabitants of this Country, whose Circumstances will admit of the Expence.

About these Duties it will appear upon Reflection to be generally true, that they have been added to the Price which those Commodities had before the Imposition of such Duties, and from thenceforth to be ultimately paid in the last Price of such Commodities by the Consumer.

Upon which Supposition, if the aforesaid Duties are either, by way of Custom or Excise, generally collected throughout the Country where such Commodities are consumed; it's plain that the said Duties will generally be paid by every Person residing in such a Country, nearly in Proportion to his ordinary annual Expence.

And this, *Sir*, is the Share or Proportion which of all others I think most eligible to be taken from every Person residing in a Country where great Part of the Inhabitants subsist by Commerce, towards the publick Expences of the Government of that Country when it can in this manner be done, without enquiring exactly into the Expence of every particular Inhabitant.

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For, first, in this way the publick Expence is least sensibly felt by those who really contribute towards it; every Person being voluntary in his Expence, and gratifying himself while he is contributing from his Estate to the Expence of the Government.

2. Contributions in this manner generally made by the Inhabitants of a Country in Proportion to their Expence, will be likewise made in a near Proportion to the real Value of the Property of the same Inhabitants; perhaps, a nearer than it would be done by a Law made, directing the publick Expences to be levied in that Proportion, from the great Difficulty of finding out and plain Inconvenience of exactly inquiring into the real Value of every Man's Property for a Purpose of this Kind, in a Country so much engaged in Traffick as ours is. Nor will Taxes upon our Expences, vary much from Taxes proportioned to the Value of our Property, (if long continued) from what may at first Sight appear a reason for that Conclusion; I mean, the different Choice of the Thrifty and Extravagant in the Proportion of their Expences; the first of which, by contributing little himself to the publick Expence, is providing for larger Contributions

tions by his Successors ; and the other, by contributing too largely in haste, is incapacitating himself for contributing at all.

I think also, that in those Particulars in which a Tax proportioned to our Expences, either does or may be contrived to vary from one intended to levy the same Sum in proportion to the Value of Property in *Great-Britain*, such a Tax on our Expences appears the more eligible.

1st. A Tax proportioned to the Expences of Persons residing in *Great-Britain*, will collect a Proportion of the Income of the various profitable Professions and Employments amongst us, and of the annual Gains of Foreign and Inland Commerce ; all which being received and enjoyed by virtue of the Laws, and under the Protection of this Government, should, together with the annual Income of our Property, contribute towards it,

2. It will likewise collect and take in a Proportion of the annual Income of such Estates or Employments, as supply the Expence of Foreigners on different Accounts residing in *Great-Britain*, as well as of such of his Majesty's Subjects who choose to reside here and support their

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Expences by the Income of Estates in *Ireland*, or any of our Colonies or Plantations in *America* or else where; from whom, in return for the Protection their Estates receive from the Arms or Influence of *Great-Britain*, supported at our Expence, no Contributions in common with the Inhabitants of this Kingdom can be thought unreasonable.

Contributions thus made by Persons residing in *Great-Britain*, in Proportion to their Expences, will likewise include a Proportion of the annual Income of such Estates as may be brought hither by Foreigners choosing to settle amongst us, or by any of our own Countrymen returning with their Gains from other Countries.

In short, a Proportion of all Estates whatsoever, whether within or without the Kingdom of *Great-Britain*, and whether discovered or not discovered, that any way supply the Expences of our Inhabitants in a manner as is above observed, not grievous to or liable to be complain'd of by the Contributors themselves, and with the further good Oeconomy of sparing on ordinary Occasions, and increasing that Publick Stock, that unmoveable Part of our Property within this Kingdom, to which in Times of extraordinary Danger and Expence we must necessarily have recourse. It

It may likewise be consider'd, in Recommendation of this manner of supplying the ordinary Expences of our Government by Duties in the manner above supposed, levied in Proportion to our Expences, what farther Conveniencies to the Publick may be procured by such Duties, over and above such a Supply to its ordinary Expences; such as discouraging the Consumption of such foreign Commodities as may in a manner, plainly inconvenient to the Publick, interfere with or hinder the Consumption of the Produce or Manufactures of our own Country; abating the extraordinary Price of foreign Commodities, or the exorbitant Gains of Foreigners by the Importation of them; the diminishing a Trade carried on with any of our Neighbours, the Ballance of which is too evidently in their Favour; the encouraging any other more profitable Branch of the *British* Commerce; or the preventing the Increase of any particular Article of Expence, that may too plainly tend to debauch the Manners or abate the Industry of his Majesty's Subjects. Of this kind many are the Conveniencies that may be procured to a Country, by the same Measures that supply the ordinary Expences of its Government. And when it shall

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be considered to how many publick Uses of this sort several of the Duties appropriated to the Payment of our Debts are subservient, besides the annual Income produced by them; I believe it will appear by no means eligible, and much less necessary, that the Whole of those Duties should, immediately after the Payment of the Publick Debts, be removed and determine; when the same Conveniencies may be still preserved to us by the Continuance of them, and the Income of those Duties be made to supply such of our Expences as are now provided for by less equal or less beneficial Taxes.

Such Considerations as these, I think are sufficient to remove the above-mentioned Supposition, that the Payment of our Publick Debts is inconsistent with the Interest of a *British* Ministry; in which, however, I could still advance farther, by remarking how remote the Views of any Interest of this kind are placed, by the Length of Time that will be necessarily required for the Discharge of our present Debts from a Sinking Fund; and by observing, that the Removal of any Part of the present Duties, which are any ways inconvenient to the Publick, and are continued now only because appropriated to the Payment of some Part of
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our Debts, will by no means imply or even admit of a Reduction of Officers employed in the Collection of those kind of Duties, either by way of Custom or Excise, in the several Ports or Districts in *Great-Britain*, in Proportion to the Income of such abolished Duties; and from several other Reflections that have occurred to me on this Subject, if I did not think it unnecessary any farther to follow so groundless and indecent a Jealousy of the Integrity and publick Spirit of such of my Countrymen, who shall for the future deserve and attain to the Favour and Confidence of his Majesty or his Successors.

Thus far I have been endeavouring to make out, that the Provision already made of the present Sinking Fund is an Expedient, from which we may with great Confidence expect the full and effectual Payment of the Principal of our present Debts within a few Years. Upon which, *Sir*, if I have dwelt longer than you may have thought necessary, I hope you will be pleased to consider in Excuse of it, how far I must have been led to do so, by attending to the happy Influence that a general Confidence in the Efficacy of this Expedient would have on the Credit of our Publick Funds, especially in

in case that the Measures lately taken by some neighbouring Princes should make a Rupture with them necessary to us; and how far such a general Opinion of the Efficacy of this Scheme has a Tendency to forward and increase the Success of it.

I am now brought, *Sir*, to the last Task, that in Obedience to your Commands I have assigned my self; and am to inquire what Measures it may be most for the Interest of the Publick to take in the Application and Use of the Sinking Fund from the Year 1727. About which the only Question that can, as I think, be put is, Whether it shall be from thenceforth advisable for us to endeavour after a greater Increase of the Sinking Fund, by a farther Reduction of the Interest of the Publick Debts? Or if it may not be then on the whole more for the Publick Interest, to endeavour only after such an Increase of the aforesaid Fund, as will be produced by the Application of it from Time to Time to the Discharge of the Publick Debts, and the Addition of the yearly Interest of such of the said Debts as shall be from Time to Time paid off.

Before I proceed to any other Consideration which it may be thought material

rial to attend to in determining this Question, I shall take leave to state the greater Effect the first of these different Measures would have in accelerating the Payment of the Publick Debts than the other of them. And this I choose first to do, because in an Affair of this publick Concern, and where we are not to be supposed to give our selves the Trouble of the same Exactness in Computation that we should use in our own private Affairs, I am a little apprehensive that People when they turn their Thoughts to this Subject are apt, upon any Increase of the Sinking Fund, to promise themselves a farther Degree of Dispatch in the Payment of the Publick Debts in Proportion to such Increase. For an Instance, to explain my Meaning: I fear, that upon stating from the above-mentioned Supposition, that the Sinking Fund of 1000000 *l.* was increased to 1500000 *l. per Annum*, by an Abatement of 1 *per Cent.* Interest on 50 Millions, the Debt supposed to be paid off by it; on stating such a Case, I say, I fear it would be in haste inferred, from the Sinking Fund's being increased to half as much again as it was before, that the Publick Debts would be likewise paid off by the Sinking Fund so increased half as soon again,

again, or that the Publick Debts would be paid off by a Sinking Fund of One Million and a Half *per Ann.* in Two Third Parts of the Time that would be taken up in discharging it by a Sinking Fund of One Million *per Annum* only. But this Inference would not be true, by whatever Means the Sinking Fund were supposed to be so increased; and least true, when the Increase of the Sinking Fund is made by a Reduction of the Interest of the Debt to be paid off by it.

If the aforesaid Fund of 1000000 *l.* *per Annum* were increased to 1500000 *l.* by an Addition made to it of 500000 *l.* *per Annum* provided by a new Tax, or any otherwise than by an Abatement of the Interest of the 50 Millions to be paid off, which should continue to carry 4 *per Cent.* Interest, it would be true, that while the said increased Sinking Fund is supposed to be applied to the Discharge of that Debt, it would pay off in every Year half as much again as the Sinking Fund of One Million only beginning at the same Time to be applied to the same Purpose would do in the same Year; and at the End of any Number of Years, in which both Funds are supposed to continue so applied, will have paid off a Principal Sum exceeding the Principal Sum paid off

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off by the Sinking Fund of One Million only, by one half Part of the Latter ; or in other Words, the Principal Sum paid off by the aforesaid greater Fund will be to that paid off by the Lesser, either in an equal Number of Years from the Time they begin to be apply'd, or in any one Year equally distant from that Time, in the Proportion of Three to Two. And in this Sense the aforesaid greater Fund may be said to pay off the Publick Debt half as fast again, as in the same Time it will pay off half as much again. But from hence it is not to be inferred, that the less Fund will be half as long again as the greater in discharging the same Principal Sum ; or that the same Principal Sum would be paid off by the greater Fund in Two Thirds of the Time that would be taken up in discharging it by the smaller Fund : And of this the plain Reason will soon appear on inspecting the above-made Computations ; from which it may be observed, That the Sinking Fund applied, as we have all along supposed it, is increasing by an Addition in every Year made to it of the Interest of that Principal Sum which was paid off by it in the Year before ; from whence both the Income of the Fund it self, and the Principal Sums annually paid off by it, are in every

every Year greater than in the Year before, and increasing in every Year by an Addition greater than the Addition made to it in the Year before: From whence it necessarily follows, that in a Series of Payments made by the Sinking Fund for any Number of Years carried on, the Payments towards the latter End of such Series must be considerably greater than those before; and that the Amount of the Payments for any Number of Years separated at the latter End from the rest of the Series, must greatly exceed the Amount of the Payments for any equal Number of Years in any other Part of the same Series. And from hence it must appear, that the Excess of the Payments made by the greater Sinking Fund above those made by the less in the same Number of Years, will not be a Rule for determining the Time in which they must severally be employed in discharging the same Principal Sums.

And it will be further from the Truth, in the Case of the Sinking Fund increased from an Abatement of the Interest of the Debt to be paid off, by an Addition of an annual Income equal to one half Part of its Income before such Increase, to suppose, that from thenceforth the Debt will be discharged in Two Third

Parts of the Time which would have been otherwise required; because the Additions from Time to Time made to a Sinking Fund imploy'd in the Payment of a Debt carrying 3 *per Cent.* Interest only, do not increase in the same or so great a Proportion, as those made annually to a Sinking Fund in the Discharge of a Debt at 4 *per Cent.* From which Circumstance the less Sinking Fund increasing by this greater Ratio or Proportion, would in a longer Series than I hope we have any Thing to do with in the present Case, have so considerable an Advantage, as to overtake the greater Sinking Fund in its Payments, and from thence to be every Year discharging a greater Debt.

But in the Case we have supposed of a Debt of Fifty Millions, the Time in which we have before computed that that Debt carrying 3 *per Cent.* Interest, may be paid off by a Sinking Fund of 1500000 *l.* is 23 Years and one Half nearly, and by the Sinking Fund of 1000000 *l.* the Debt continuing at 4 *per Cent.* Interest in about 28 Years; so that the Time saved in the Discharge of our Debts by the Reduction of them to 3 *per Cent.* Interest, appears, on the aforesaid Suppositions, to be 4 Years and a Half, or there-

thereabouts ; which is something less than One Sixth Part of the Time in which the same Debt might be discharged without any further Reduction of the Interest.

Another way of Stating the Advantage to the Publick in this Contraction of the Time which our Debts may take up in the Discharge of them from 28 to 23 Years and a half, would be to find out and assign that annual Sum, which added to the above supposed Sinking Fund of 1000000 *l.* at the Publick Expence, and without any further Reduction of the Interest of the Debt to be paid off, would answer the same Purpose as the Addition of 500000 *l.* to that Fund taken from the Income of the Publick Creditors, and contract the Time in which the Payment of 50 Millions would be compleated from 28 Years to 23 and a half. And this, *Sir*, will be found almost 322000 *l.*; which yearly Expence to the Government for 23 Years and a half, would answer the same Purpose as the above supposed Deduction of 500000 *l. per Ann.* from the Income of the Publick Debts. And this Advantage I choose to state distinctly as it is, before I proceed farther, because I think in all the Discourse I have met with on this Publick Affair, I have seldom heard any Distinction made about

the Convenience of the several Reductions of Interest from 6 to 5 *per Cent.* and from thence to the Rate of Interest at 4 *per Cent.* which is shortly to take place; or relating to the further Reduction to 3 *per Cent.* which we seem to intend and be providing for; but on the contrary, they seem all to be considered and expected alike as of equal Advantage in discharging the Discharge of the Publick Debts; though it be at the same Time true, that by the first of these Reductions we came only to have any Sinking Fund at all, and to the second of these Reductions, together with the Provisions at the same Time made about the unredeemable Annuities, we owe it, that the total Payment of our Debts by this Expedient begins to appear practicable. But in those Circumstances in which we now are, and with those Views which we at present have of the Payment of our Debts within no great Length of Time, from the Provisions already made for that Purpose, by the Reduction of Interest hitherto effected or contracted for; I think we are at Liberty, before any further Steps of of this kind, to consider of some probable Consequences that may follow upon them; which to have produced as Objections to any former Reductions of Publick

lick Interest, while they appeared so necessary, might have been thought impertinent or untimely.

It seems to me to have been an Opinion of late Years pretty generally agreed to, (perhaps as long since as the celebrated Mr. *Locke's* Performance on that Subject) That all Attempts to reduce Interest by compulsive Methods, or by Force of any Laws made for that purpose, are not only unlikely to succeed, but on other Accounts inconvenient to the Publick: But I know not if the Interest of the Publick in the Reduction of it by any other Means effected, has been much considered; or if such a Reduction of Interest is not usually expected by us with general Satisfaction, arising from our regarding it as the Effect of the common and natural Causes of a lower Interest in every Country, and such Alterations in our Circumstances as are truly enumerated amongst the Instances of Publick Prosperity.

Mr. *Locke*, in his afore said Treatise on this Subject, mentions as the natural Causes of the Variations of the Rate of Interest in any Country, the Variations of the Proportion that the Quantity of Money bears in such a Country to the Demand for it, arising either from the

Quantity of Debts contracted amongst the Inhabitants, or of the Trade carried on by them. To which Occasions of a Demand for Money, I think should be generally added all other Circumstances in the Affairs of such a Country, as may be there supposed ordinarily to contribute to or be the Occasion of a greater or less Demand of that kind. And as a further natural and ordinary Cause of a Variation any where in the Rate of Interest, I should choose to add such Alterations in the Circumstances or Situation of the Affairs of the Country where such a Variation happens, as may make it more or less dangerous or secure to advance Money upon Loans in all or any of the different Scenes of Business, where Negotiations of this kind are usually carried on; by which last Cause I am apt to think, that the more sudden and sensible Variations in the Rate of Interest have been chiefly and most frequently every where occasioned. And when a lower Rate of Interest is supposed to be produced amongst us, by such Causes as these are, it is perhaps most reasonable that it should be regarded with general Satisfaction, as it is a Proof of such a Situation of our Affairs, as is of it self and independently on this Consequence
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from it, an Instance and Part of the Description of our general Welfare and Prosperity ; and as the monied Man himself has in this Case an Equivalent for what he may be supposed to lose by the Abatement of his Income, in the greater Safety, with which, on such an Occasion he lends his Money, or the less Hazard which he runs of the Repayment of it, as well as in the greater Frequency of Opportunities which such a Situation in our Affairs produces, of putting out and improving Money with greater Safety. But as far as a lower Rate of Interest may be produced amongst us, either without such compulsive Methods, or the Concurrence of such natural and ordinary Causes for it as are above mention'd, I apprehend that it yet remains to be inquired into, if it be the Interest of the Publick that it should be so ? and, as far as the Success of any Measures entered upon for this purpose may be uncertain, if it be, with regard to the Publick, advisable that such a Reduction of our Interest should be attempted or endeavoured after ? And in this Case it will be allowed me, that a lower Rate of Interest thus produced, or supposed to be so, is no longer to be considered as a Proof of, or attended with the above-mention'd

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Instances of our publick Happiness; such a Rate of Interest having no Tendency in it self to increase our Money, or the Lenders Security for the Repayment of it, nor consequently, being of any effect to produce a real Increase of our Negotiations in advancing Money; which while no Provision is made for increasing either, our Capacity or Disposition to lend Money can by no means become greater, or more frequent, from the greater Application to borrow Money only.

I shall therefore endeavour, *Sir*, to describe such Transactions amongst us with respect to our Publick Debts, as I apprehend may have been supposed to have had a great Share and Influence in producing amongst us lately very great and general Variations in the Rate of Interest, and from which a still further Reduction of the Rate of Interest may be yet expected; I mean those great Adventures in the Publick Funds, of late Years so apparently undertaken with a View to such Gains, as might be quickly made by the different Prices of them, and which have so much contributed to the late great and sudden Variations in the Market Prices of these Securities. In the Infancy of these Adventures, the chief or only Motives to them probably were those

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Pieces of Intelligence about the Situation of our Publick Affairs, from the Publication of which the Adventurer might reasonably infer the general Satisfaction or Diffidence of the Proprietors of the Publick Debts in their several Securities. And as far as Intelligence of this kind was true, and the general Sense of the Proprietors upon the Publication of it rightly conjectured or inferred, the Rise or Fall of Stocks produced by these Adventures might be regarded as an Event, which in a longer Time or in a less Proportion would have happened, if these Adventures had not been made; and in this View may not improperly have been called the Growth or Declension of our Publick Credit. But as this Practice grew upon us, it is not to be wondered at, if from the general Industry of great Numbers to be first acquainted with every material Occurrence to the Publick, and to be earliest in the Improvement of their Information in Adventures of this Nature, several Variations in the Prices of our Funds have been produced by Transactions in them, undertaken upon false or uncertain Intelligence, and groundless Inferences and Conjectures from it; which Variations have not been afterwards to be accounted for from any real Alteration in
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the Posture of our Affairs, or the general Sentiments of the Proprietors of the Publick Debts; and from which, therefore the real State of Publick Credit at such a Time would be uncertainly if not falsely inferred or determined. The later Variations in the Prices of our Stocks would be still more improperly described to be the Growth or Declension of our publick Credit; which Credit, since the Restoration of our Tranquillity, and during the Absence of our Apprehensions for the publick Safety, can only with Propriety be said not to have been disputed or called in Question, and which cannot, I think, be supposed to have been of late at all attended to by the Purchasers of our publick Securities, at Premiums and advanced Prices far beyond those Sums for the Repayment of which the Credit of the Government is any ways depended on. In short, by whatever Names we have been accustomed, or may choose to describe the Rise or Fall of our Stocks by, I submit it to such Persons who have made any Observations on the late Transactions in *Exchange-Alley*, if they have not (and especially the Rise of them) been generally occasioned by such Adventures made in them, as Persons have been induced to from the Hopes of Gain, from a further

further speedy Variation in the Price of them, without any regard to the Continuance of it ; and if these Variations are not of late come to be expected from any the most inconsiderable Occasions, or perhaps for no Reason at all, but what is to be inquired for in the Market, and amongst the Accounts and Contracts depending there.

While this Disposition continues amongst Numbers to be constantly adventuring in the Publick Funds, and consequently upon Expectations that must be generally supported by the most inconsiderable Reasons, it is hardly to be doubted but that at any Time in the Absence of our Apprehensions of any general Danger, the Intelligence being spread amongst them that any Scheme or Proposals were to be set on Foot, by which the Rise of Stocks was either intended or supposed, would generally determine these Adventurers to expect and provide for such a Rise of Stocks, and by their Contracts founded on these Expectations in a great Measure to produce it: To effect which purpose, I hardly think it material, that any further reasonable Provision should be made in the Proposals or Schemes themselves, or that any Thing would be further necessary for this Purpose, than
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declaring the Rise of Stocks to be intended by them. Such a Rise of Stocks I am almost inclined to believe might be the first Effect of any Intelligence communicated in *Exchange-Alley* at such a Time as I have above supposed, that some Proposals were shortly to be made to all or great Part of the Publick Creditors, to agree to the further Reduction of their Interest or Annuities, as disagreeable as this must at first appear to the greatest Part of the Creditors themselves. But how far such a Rise of Stocks may be in this Case expected, and how far it may proceed in forwarding any Proposals of this Nature, I submit to be conjectured from the following Considerations.

First, Such a Proposal must suppose and lead our Expectations to a Rise of Stocks in general; without which, or at least if the contrary should happen, such a Proposal could by no Means be executed or complied with, it being necessary to the Success of this Proposal, that the Market Price should at the Time of making it, offer the Proprietor as much or more, as if he declined to comply with it would be payable to him by the Government. And as the greatest Part of the Proprietors of the Publick Debts have been at different Times incorporated for
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the Purpose of carrying on certain Trades, from the Profits of which (as I would willingly hope) 1 *per Cent.* or more, has been annually divided over and above the Income of their Interest in the Publick Debts; if their Annuity from the Government when reduced and diminished, continues to be valued as before, the Price of that Part which is not liable to any Diminution from these Proposals, may well enough be expected to rise in some Proportion to such a Reduction of their Annuity. Thus, if to the Proprietors of *South-Sea* Stock, for Instance, it were proposed that their Annuities in the Year 1727, should be from thence reduced to 3 *per Cent.* upon the Supposition that their Shares in the Publick Debt should, after such a Reduction, continue to be valued as before at Par, it might be as reasonable to expect that the 1 *per Cent.* continuing to be divided on every Hundred Pound Stock, should be from thenceforth valued in the Price of it at 33 *l.* 6 *s.* 8 *d.* as it was before to expect it should be ever valued at 25 *l.* And from the Rise of that Part of our Publick Securities which fall under this Consideration, some Advance in our other Securities may likewise be expected, as the Money received on the Sale of those Stocks which shall
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first and in the greatest Proportion rise on this Occasion, is generally observed to be applied to the Purchase of that Part of our Publick Debts which is conceived to be less liable to Variation in the Prices of them.

Secondly, Such Persons as are observed to be constantly adventuring in the Stocks from Expectations of Gain, either from the Rise or Fall of them, must be generally supposed to be determined to these Adventures by the lowest Degree of Probability, that they shall succeed in them; and it is hardly therefore to be doubted, but that the ordinary Adventures in our Stocks would be made upon Expectations of the Rise of them, upon the Publication of any Proposals from Authority, that supposed the Rise of Stocks, or implied that it was expected by our Superiors.

Thirdly, The Rise of Stocks upon this Occasion would be further favoured, by the Disposition of those Proprietors who are not ordinarily engaged in Adventures of this kind, to wait for the utmost Advantage to be made of the Rise of Stocks, whatever might be their Sentiments about continuing Proprietors of the Publick Debts when reduced to a lower Interest.

Fourthly,

Fourthly, A Rise of Stocks on this, as well as former Occasions, may be still further advanced, by the spreading of false Computations of the Value of our Stocks, and idle Opinions about Credit and Circulation, and by the Force of a general Example, assisted by the Confidence of the Proprietors of our Publick Debts in the Authority by which these Proposals may be recommended.

And when the Stocks shall be sufficiently advanced to colour any Proposals of this Nature, it is perhaps not impossible that the Concurrence of the Proprietors to such Proposals should be obtained; tho' at the same Time they may be generally dissatisfied with the lower Rate of Interest proposed to them, and severally determined on that Account to quit their Interest in the Publick Debts on the next convenient Opportunity. For it is to be considered,

That the Reason for their objecting publicly or declaring their Sentiments against any Proposals of this kind, is removed by the Price of their Securities at Market, where they are offered for the present as much or more for them, as if they thought proper to decline these Proposals would be payable to them by the Government; and that the general

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Disatisfaction of the Proprietors should not determine them to take Advantage of the then Market-Price for the Sale of their Securities, and by that means occasion the Fall of Stocks, and prevent the Success of these Proposals, may in a great measure be accounted for from a general Inclination to have the utmost possible Advantage from the Rise of Stocks, from the Difficulty of finding on such an Occasion any immediate Improvement for their Money, and their Impatience of its lying by them unemployed, joined with that Dependence which Men generally have on their own Foresight and Skill in the Choice of the fittest Opportunity for this Purpose; from which Motives, while the Bulk of our Publick Securities may be supposed to be kept from Market, that Part of them which shall be brought there, by the more wary or determined of the Proprietors, will be found for a Time provided for, by those considerable Sums which the Estates and Credit that Persons engaged in such Adventures in the Stocks as I have above described, will for a Time supply the Market with.

I think, *Sir*, from hence it appears possible, that a Proposal for reducing the Interest of our Publick Debts, though
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without any reasonable Foundation, may, as our Affairs now stand, succeed even so far as to obtain the Concurrence of the Proprietors. And the Inference which I would from thence make is, that it belongs to them, by whose Influence or Advice such a Proposal shall at any Time be made, first to consider if there be a solid Foundation for it, or if it be likely still farther to succeed; and not to depend on the Consent of the Proprietors in this manner obtained, as a sufficient Proof that such a Proposal was reasonable, or as a Security for the still further Success of it.

Whenever therefore the further Reduction of the Interest of our Publick Debts shall be attempted, it should be first enquired if the real Proportion of our ordinary Necessities for Money to our Capacity and Disposition to supply them, have been so far altered as to admit of it; and if such an Alteration has proceeded from those reasonable and general Causes of it, which are likely long to continue and support it. Nor will such an Alteration be safely inferred from the Market-Prices of our Stocks, any further than those Prices are determined and produced by such Purchases only as are made with a View to the Improvement of the Money

laid out in these Securities from the Interest or Income of them ; by which Purchases of late Years the Prices of our Stocks have so seldom been determined, that perhaps it may be more reasonable in this Case to conclude from an Enquiry into the Rate of Interest ordinarily reserved on private Loans, or into those other Transactions in which we are usually directed by Computations upon the customary Rate of Interest amongst us. These Transactions however, must, as well as the Prices of Stocks, in this Case be considered and attended to on this Account, that Persons in the Disposition of their Money will, as often as they think themselves equally secure, be determined by the greater Interest they are offered for it ; from whence it must be expected, that when the Income of our Publick Securities, compared with the Prices they are sold for, offer a less Improvement for our Money than may with equal Security be made of it by private Loans or otherwise, the general Industry of Mankind to make the best Improvement of their Estates, will quickly reduce either the Price of our Publick Securities, or the Rate of Interest in such private Transactions as aforesaid.

I question therefore, if any Attempts
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to reduce the Interest of our Publick Debts below 4 *per Cent.* at present will be of any lasting Convenience to the Publick, or ever can be so till such a lower Rate of Interest shall be preceded by its being customarily accepted of upon private Loans on unquestionable Securities. For let it be considered how such a lower Rate of Interest can otherwise appear to be founded on any real Variation in the Proportion of our Necessities for Money to our Capacity or Disposition to supply them; or if the contrary does not appear, from a higher Rate of Interest ordinarily paid at the same Time upon private Loans. And while this continues to be the Case, how reasonable is it to apprehend, that when the Money and Credit of those Adventurers, who first advanced the Price of Stock, shall be withdrawn, the same ordinary Necessities for Money, without any Increase of the Provision for supplying them, will bring the Proprietors of the reduced Securities to expect and look out for the former annual Income for their Money, and thereby occasion a Declension in the Price of these Securities proportioned to the Diminution of their Interest?

How far the Continuance of those Adventures, by which the Price of Stocks

is supposed first on such an Occasion to be advanced, may be depended on for the Support of it, may be collected from the Motives by which the Adventurers were first engaged in them; and is from thence to be expected but till the utmost probable Rise of Stocks from such Proposals has been effected: After which that the former Supplies from their Credit and Estates should be withdrawn from Market, is not all that is in this Case to be apprehended, it being further probable that they will be from thence employ'd in depreciating those Securities which were at first advanced by them, with a View to the same kind of Profits from the Fall, as they before expected from the Rise of Stocks. From which, together with the fresh Necessities which the more inconsiderate of these Adventures will naturally produce, it would not be at all strange if the Price of Stocks should be carried lower, beyond the Declension of them in Proportion to the Diminution of their Income, and the Rate of Interest for a Time become higher than it would have been, if such an Attempt for the reducing it had not been made. And this Consequence of a Rise of Stock from Adventures of this kind must some time or other be expected, as far

far as that Rate of Interest which our real Necessities would produce is varied from or misrepresented by such Adventures. It may not probably immediately succeed a Rise of Stocks by these means effected; these Adventures in a Time of general Tranquillity, may for a considerable Time be protracted by further Views, or the Market supply'd by a Succession of them; and this has often been the Case, till upon the Arrival of some Intelligence about the Situation of our Affairs, which we call bad News, these Views have been given over, and the Declension of our Stocks on that Occasion attributed to and accounted for only from that Intelligence: But if the real Occasion of the great Variation in our Stocks at such a Time were further enquired for, it would be found to be the precipitate Sale of great Quantities of Stock, which, with such Views as aforesaid, had been before bought up; and that this Declension would as certainly, if not so suddenly, have happened from the same Occasion, without the Intervention of such Intelligence, when these Views should have been on any other Account given over; or when (as, I think, I have heard some Persons acquainted with these Transactions express themselves) the Game had been play'd out.

It is true, indeed, that the Government by those Terms on which they borrow, I mean, by ingaging only for the Payment of the Interest or Annuities contracted for till the Repayment of the Principal, avoid all Inconvenience from the Interest of Money advancing after their Contract for the Reduction of it, and leave the entire Disappointment upon the Proprietors. But I submit it, how far the Publick can be considered to be unconcerned in a Disappointment of the Publick Creditors, obviously owing to their Concurrence with Proposals recommended to them by Authority ; or in that general Mutiny and Discontent, which will be the necessary Consequence of such a Disappointment : Which from a remarkable Instance of this Nature, after the Execution of the late *South-Sea* Scheme in the Year 1720, we must have observed to have been once regarded by the Legislature, as of sufficient Moment to induce them to release the most considerable Advantage that the Publick had agreed for from that Scheme, though set on Foot upon the Proposals of the Creditors themselves. And if ever the Publick Creditors should be generally disappointed by a considerable Discount upon their Securities, obviously owing
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to their Concurrence to an Abatement of Interest recommended by Publick Authority, and proposed for the Convenience of the Publick ; I doubt if their Expectations of Relief from the Government could be thought less reasonable. I cannot, for my own Part, but think, that the general Submission of the Publick Creditors in their Contracts with the Government, to wait for the Repayment of their Principal till the Publick Convenience will admit of it, and waving any such Agreement about a determined Time for the Repayment of it, as in private Contracts is ordinarily provided, would be far from removing their Expectations of Redress under a Disappointment of this Nature ; and rather apprehend, that this Submission would be urged on such an Occasion, as a meritorious Instance of their Confidence in the Care and Protection of our Government, and as a Reason for their expecting in return for it, that what may be then called Publick Credit should be kept up, and their Securities by all possible Means preserved at Par, till the Time when they could be discharged.

The Success attending the Reduction of so great a Part of our Debt from 6 to 5 *per Cent.* and from thence afterwards to 4 *per Cent.* cannot certainly be looked

ed on as a Foundation for expecting the same Event of our Endeavours to reduce Interest still further. As to the first of these Reductions, we shall find it, on looking back, to have been attempted quickly after such an Alteration in the Circumstances of our Affairs, as furnished the best Foundation for our Hopes of succeeding in it: At the End of a long and expensive War, that threatened us with the Loss of every Thing valuable, but more particularly of that Part of our Property which had been advanced for the Services of the Publick; at a Time when those Necessities of the Government were removed, which had obliged us for several Years before, to be continually increasing the Publick Debts, and at the same Time admitted of no Provisions for the discharging of them; at a Time when the lasting Prosperity of *Great-Britain* was lately secured to us by his present Majesty's Accession to the Throne, and soon after the intire of Defeat of the last Attempt that was likely to be made to disturb or prevent the present happy Establishment. From such a Foundation as was then laid for the growing Wealth of these Kingdoms from the Increase of our People, our Commerce and Manufacture, and for the particular Security
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and greater Confidence of the Publick Creditors, it was most reasonable to expect, that the Abatement of Publick Interest then proposed should take place; especially, when these Proposals were attended with the Provisions that were then first made, for securing and rendering practicable the discharging the Principal of the Publick Debts. Nor do I think it unreasonable to have expected, that by Degrees, and from the Fruits and sensible Effects of this happy Alteration in our Circumstances, the further Reduction of Publick Interest to 4 *per Cent.* which has since been agreed for, and which in the Year 1727, is generally to take place, might likewise be effected. And though it may be doubted, if the Effect of this last Reduction of Publick Interest has been yet fully try'd, upon recollecting how little the Interest of the Proprietors of the Publick Debts in this Reduction was attended to by themselves, at the Time when it was agreed to; and how possible it is, that a far greater Number of the Proprietors of the present Funds may have proposed to quit their Interest in them, when the Reduction is actually to take place, than will be able to find Customers for it, unless at a considerable Discount: Yet when, on the other

ther hand, it shall be considered, how far this Reduction has been preceded by considerable Loans amongst us at the same Rate of Interest, as well before the Exigences of our Government during the late War with *France*, as since his Majesty's Accession to the Throne; I hope we may cheerfully conclude, that this Reduction of the Publick Interest may well enough be supported by the regular Application of the annual Income of the Sinking Fund to the discharging of our present Debts. But no Difficulty of finding Employment for Money at 4 *per Cent.* Interest, nor any private Loans at a lower Rate of Interest amongst us, can yet I think lead us to expect that a further Reduction of Publick Interest to 3 *per Cent.* will be for any Length of Time submitted to.

And while this continues to be the Case, and from 4 to 5 *per Cent.* Interest is every Day offered upon unexceptionable Securities, I should think it a more reasonable Use made of recollecting the late Reductions of our Publick Interest, to place them to the Account of our present happy Circumstances; and before we proceed, to expect from the late Alteration in our Affairs a further Reduction of Interest, to consider how far we are indebted to it upon that Account already.

I have indeed sometimes heard it said, that the last Reduction of our Annuities to 4 *per Cent.* still wants to be taken care of; and that the Price of our Publick Securities proportioned to that Rate of Interest, is only to be supported by such Adventures as will be encouraged by keeping in View the Prospect of a still further Reduction of those Annuities to be attempted. From these Persons I very much differ; and cannot but think that this last Reduction (if no new Troubles presently fall out) would be effectually supported by the future regular Application of the Sinking Fund; from which, in a Number of Years, I should rather expect that a further Reduction of Interest may be naturally and reasonably produced, if the Effect of this Provision be not before-hand too far presumed upon and anticipated. But whoever really thinks that the further Reduction of Publick Interest must be kept in View, in order to support the Reductions already made, evidently supposes us to be proceeding in Measures with regard to our Publick Debts, in which we must somewhere stop, and whenever we do so, repent of every Step we have taken in advancing thither.

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For want of Examples amongst our selves, as I suppose, to support our Expectations of the further Reduction of Publick Interest, I have sometimes heard the present low Rate of Interest in some of the Trading Towns of our Neighbours the *Hollanders*, quoted to prove the Probability, that the same or something near the same low Rate of Interest may be made to take place amongst us too. But I see not why the low Rate of Interest in that Country should be more regarded as the Standard for the Rate of Interest amongst us, than the higher Rate of Interest in other neighbouring Countries, unless on account of our greater Commerce and Negotiation with the *Hollanders*. And after I have admitted that the Rate of Interest amongst them is on this account most likely to have some Influence upon ours; I must expect it should be allowed me, that this lower Rate of Interest than ours having for several Years prevailed amongst the *Hollanders*, has already had its Effect with us in the Reduction of our Interest to that Rate which we now consider it to be brought to; and that the further Effect or Influence of their Example in the Reduction of our Interest, is only to be expected from the further

further Reduction of the Rate of Interest below what it is at present supposed to be amongst them.

That the Circumstances of our Affairs are the same in all those Particulars that lead to a low Interest in any Country with those of our before-named Neighbours, is by no means in the present Inquiry to be presumed; if they were so, our Rate of Interest must now be pretty nearly the same with theirs. But if our Rate of Interest considerably exceeds theirs, and has (which as I have been informed is true) for a long Succession of Years constantly done so; it must be inferred, that our Circumstances in some Particulars that influence the Rate of Interest, differ much from theirs. And the Constancy with which our Rate of Interest has been observed for a long Time to have exceeded theirs, is enough to satisfy us that the Occasion of it is to be enquired for in some difference in our Circumstances which has continued with equal Constancy, and for the same Length of Time; and not amongst any Projects or Contrivances at different Times set on Foot by either of us, to answer any Purpose of this Nature.

The true and general Reason of this Difference between our Rate of Interest
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and theirs, has perhaps been long since assigned by the abovemention'd Mr. *Locke*, and seems most probably to be the very different Proportion which the Lands or Property of any other Kind producing a certain annual Income amongst the *Hollanders*, taxed as that kind of Property has been with them, bear to the great Stocks and other personal Estates of the Inhabitants of that Country, from that which the Value of Lands and other Property of the same Kind here bear to the personal Estates in this Kingdom. To this difference it seems owing, that while the *Hollander* can find little other Employment for the Money he can spare from his own Adventures within his own Country, than in supplying the Necessities which their Commerce from Time to Time produces, the monied Inhabitant of this Country, besides the Opportunities offer'd him from the ordinary Necessities of Persons engaged in Trade, is hardly ever without Proposals for the Employment, of his Money in supplying the Wants of the Proprietors of our Lands, by either purchasing or advancing Money upon their Estates; and from hence is in a Condition to demand and obtain a greater Reward for the Use of Money than the
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Hollander can do, where the demand for it in his own Country is so much less. This Difference between us, as far as it will be allowed to have been one Cause why our Interest has hitherto exceeded theirs, will be allowed also as a Reason why it should continue to do so, till the Inhabitants Wealth and Commerce of *Great-Britain* shall have increased in the same Proportion to the Extent and Value of our Lands, as it may be observed they have done in the *Seven Provinces*.

I cannot forbear thinking, that upon this Occasion it deserves most seriously to be considered, how far our late Expectations of continued Attempts to reduce the Rate of Interest, has contributed to promote and increase the afore-said Traffick in *Exchange-Alley*; a Practice that, in the midst of those Reproaches which it lies under by the Name of Stock-jobbing, and the most serious Complaints of its ill Consequences to the Kingdom upon every Declension of our Stocks, seems to me to be still growing upon us. Whenever it shall be seriously intended to prevent or restrain this Practice, I believe it will appear, that whatever Contrivances may be provided for prohibiting the Contracts in *Exchange-Alley* in the Manner they are now made,

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or altering the Manner of conveying our Interest in Stocks from one Person to another, while they increase the Difficulty of the most innocent and necessary Transactions in the Publick Funds, will have little further Effect on this Practice, than to force it into some other Channel, and perhaps increase the Profit and Employment of the Banker only, by making his Credit or Assistance further necessary; and that the most reasonable Method of preventing it, will be removing the Encouragement and Temptation to it. And though our Complaints of these Adventures are then only generally made, when they seem to contribute to the Declension of our Stocks, a little Enquiry will convince us, that the Foundation for such a Fall of Stocks, was really laid by those Adventures which seemed to contribute to and attended the Rise of them. If during a Time of general Tranquillity, from unlimited Expectations of the perpetual Advance of Publick Credit, countenanced amongst us beyond any sufficient Foundation for it, Persons are induced to spread their Estates upon the utmost Price of our Publick Funds, in such a manner that a Variation of 2 or 3 *per Cent.* in the Price of them threaten them with the Loss of the

the greatest Part of their Estates; what can be expected but from the earliest Appearance of Publick Troubles, an idle Rumour, tho' improbable to be true, or the Apprehension of any ill Accident, tho' most unlikely to fall out, should determine them in this Situation of their Affairs, to consult their Safety with the utmost Precipitation, and crowd the Market with the Stock of which before they continued Proprietors upon such desperate Terms. A Fall of Stock by this Means occasioned, with Persons less exactly acquainted with the Reason of it, serves as a Confirmation of every false Report at the same Time published to the Prejudice of our Affairs: From hence still further Quantities of Stock are brought to Market, and a further Declension in the Price of them occasioned; from whence, to greater Apprehensions of Publick Danger, and from thence to the further Fall of Stocks, by Turns producing and increasing each other, we may have often been observed to proceed without any possibility of putting a stop to either of them. Upon such an Occasion as this it has often, and perhaps constantly happened, that several Persons proposing to themselves Gain from the Calamities of the Publick, have on a Pre-

sumption of the Fall of Stocks, contracted for the Delivery of Stock which they had not, and could propose to furnish only by the Purchase of what the growing Apprehensions of others should afterwards bring to Market; and of these Adventures it has been usual on the Fall of Stocks principally to complain. This is a Practice, which has doubtless often contributed to the Misfortunes of the Publick on an Occasion of this Nature; but which I doubt not would in a great Measure be prevented for the future, if the excessive Adventures in the Purchase of Stocks, in Expectations of Gain from the Rise of them, were first prevented; to which the contrary Practice is chiefly owing. For it will on Enquiry be found, that Stock-jobbing begins from, and People have been usually initiated into this Practice, by general Expectations of the Rise of Stocks; in which when they are once habituated, and the Expectations of Gain from the Variations in the Price of Stock are become the only End of their Transactions, their Despair of Advantage by the Rise of Stock, is quickly changed for Hopes of Profit from the Fall of it.

Besides the unreasonable Prices to which the extravagant Adventures for the Rise
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of Stock have carried them, must first have taught the more wary and less credulous Adventurers to expect the Fall of them, and have been the Occasion of that Success that has encouraged the Continuance of these Adventures for the Fall of Stocks: Nor would the Performance of their Contracts for the Delivery of Stock, which they had not, at certain Times be generally practicable, but from the Contracts for the same Time ordinarily made for purchasing Stock without providing the Money to be paid for it.

And if it be to these sanguine Expectations of the Rise of Stocks, and the Adventures founded on them, that the frequent and excessive Variations in the Price of them are really and ultimately owing; how dearly do the Publick pay in every Instance of Perplexity in our Affairs, for any Convenience to be reaped from, or Use to be made of this prevailing Humour in the Absence of our Apprehensions of Publick Danger?

The Rise of our Stocks produced by the Assistance of such inconsiderate Adventures in the Purchase of them as have been above described, is at best of it self and without attending to any Consequence from it, a Matter of absolute Indifference to the Publick in the Ab-

sence of general Danger ; but the Consequence of it in the Declension of our Stocks upon the Approach of Publick Troubles is by no means so ; then it is that the general Diffidence in our Securities and Wreck of Publick Credit is of the utmost Disservice to us, by rendring difficult if not impracticable, the raising such Supplies as an Occasion of this kind may necessarily call for ; and as the Variation in our Publick Funds at such a Time may be regarded by our Neighbours as the Measure of our Apprehensions from their Attempts upon us, and encourage them in their Presumption on the unsettled Circumstances of our Affairs ; All which Difficulties in our Affairs on such an Occasion, attended with false and groundless Reports and Apprehensions of our Danger, general Mutiny and Discontent, seditious Exceptions to the Conduct of our Superiors, and great Distress and Interruption to our Commerce, I cannot but think we in a great measure owe to such inconsiderate Purchases of our Publick Funds during the general Tranquillity ; and that they might in a great Degree for the future be prevented, if by removing all Encouragement to the extraordinary Rise of Stocks, the Publick Funds were suffered
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to fall generally into the Hands of such Persons, who, satisfied with their Income, shall purchase them as a Supply for their ordinary Expences, with Money which they are not soon likely to have any other Occasion for.

The Proprietors of our Debts have, as such, not deserved Severity from the Publick; but as Subjects of this Kingdom are intitled to have their Interest regarded by the Government, as far as the Publick Convenience will admit of it. And in this View there may be some room to consider the unequal Hardship to the Publick Creditors, by the Loss of a fourth Part of the annual Income of their Estates, imply'd in the Success of an Attempt to reduce their Annuities to 3 *per Cent*. And while the Convenience to the Publick, to be obtained by such a Reduction, is supposed to be the earlier discharge of the Publick Debts; the Hardship appears greater from this Circumstance, that what shall be thus annually deducted and taken from their Income, will not go so far in answering this Purpose, as two Thirds of the same yearly Sum any other way supplied, and for this general Convenience, more equally levy'd upon the Subjects of this Kingdom: 322000 *l. per Annum*, or there-

abouts, raised at the general Expence, and added to the Sinking of Fund 1000000 *l.* being, as I have before observed, sufficient on the above-made Suppositions, to effect the total Discharge of the Publick Debts, as soon as the Addition of 500000 *l. per Annum* deducted from the Interest of those Debts when reduced to 3 *per Cent.* For it should be attended to, that though the Gain or Convenience to the Publick is to be computed upon such of our Debts only as from Time to Time remain unsatisfy'd, and as long as they remain so; yet supposing the Continuance and general Success of this Reduction of our Interest, the Loss to the Publick Creditors is from the Time of such a Reduction to be computed on the Whole of the Annuities that shall be reduced. If this, as a Hardship on the Publick Creditors, should not be proper in this Case to be considered; it may be so, however, for the Purpose of collecting what their Sentiments on this Affair must some time or other be. The Loss and Inconvenience to them by this Reduction, will be so sensibly felt, that no Misrepresentations can possibly long mislead them: The Continuance of their Submission to former Abatements of their Interest has been already accounted for,
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by the then late Alteration in our Circumstances for the better, making the Purchaser of our reduced Annuities a large amends in his greater Security, and to the monied Men in general in the Frequency of Opportunities of improving their Estates with Safety. But will the present happy Situation of our Affairs admit of a further equal Alteration in our Circumstances for the better, or that shall in the same Proportion increase our Security in advancing Money upon the Publick Credit? The former Reductions of our Annuities may have been recommended to the Publick Creditors, as the only Means that could render the Discharge of our Debts practicable to the Government; but as far as they are interested in it, is not that End sufficiently obtained? or is the Prospect that the Payment of the Publick Debts may be thereby effected by 4 Years and a half in 28, sooner than it would be otherwise, of Consequence enough to the Proprietor of any Part of them, to induce him for that Purpose only to part with for the future one fourth Part of the annual Income of his Estate? However the Reduction of Publick Interest hitherto effected may have contributed to the Security of the Proprietors, from the next Reduction
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it is perhaps not unreasonable to apprehend a contrary Effect; and next to the great Difficulty in the discharging of our Debts, the most reasonable Foundation of our Apprehensions may be, it's becoming in the Opinion of some Persons a Matter of too much Indifference to the Publick whether they are ever discharged or no. When the Publick Debts by the further Reduction of their Interest shall sit so easy upon us, as to require but one Moiety of the annual Provision at first made for the Payment of it, and leave the other at the Service of the Publick, the Danger seems to me by no Means inconsiderable, that it may soon after be determined to imploy the annual Income of the Sinking Fund in the room of, and to ease the Publick of some other Taxes by which our ordinary Expences are supply'd; and that it may be thought as reasonable to rest contented with the Recovery of half the annual Income of the Publick Funds without any Expence to us, as to redeem the Whole of them with the Trouble and Expence of really discharging so considerable a Debt.

And if this Reduction of Interest be successfully carried on, the Loss and Inconvenience aforesaid cannot be confined to the Proprietors of our Debts only,

only, or to their Property in the Public Funds; for if it were so, it's plain, the Price of them after such a Reduction must be abated in Proportion to it: It must therefore, if it succeeds, take place in the Interest of all private Loans, in the Profits of all the different Employments of our Money, and by Degrees must affect the Profits of our Commerce, and spread it self throughout the Kingdom: An Effect, which when not produced by, or attended with the Increase of our Wealth, the Revival of Commerce amongst us, the Succession of general Tranquillity to a dangerous or unsettled Situation of our Affairs, or other like Instances of general Prosperity, I know not how to regard otherwise, than as an uncomfortable and general Inconvenience in a Country where the personal Estates are so considerable as here they are; which if it should be thought not material to attend to as a Hardship or Inconvenience meerly to particular Persons, should at least put us in mind of the Opposition that must sooner or later be expected amongst us to Measures from which a great Reduction of Interest is apprehended.

Against this great and general Inconvenience to the Proprietors of personal
Estates

Estates from a lower Interest, I would willingly place any further publick or private Advantage that may arise from it, besides hastening the Payment of our Publick Debts. The chief, if not the only Advantages of this kind that I have met with by any Persons proposed from a lower Interest, have been the Increase of our Foreign Commerce, and the Advance of the Value of our Lands and irredeemable Annuities of any kind.

As to the first of these, it must be admitted, that Cases may be put about the particular Circumstances of any Country in which a lower Rate of Interest would have a Tendency to increase their Commerce; as it might be an Inducement to such Persons who could no longer support themselves, or were not contented with the Income of their Estates at such a lower Rate of Interest, to engage in Trade; and as it might be the Means of furnishing others with Money for the Purpose of undertaking any particular Branch of Trade, at such Interest and upon such Terms as the Profit of such a Trade would only answer. But all the Advantage of this kind that in our Circumstances, and in the present Case we have to expect, is to be collected only by an Inquiry into the present State of
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our Commerce ; from whence, if it cannot be made to appear that there is at present any profitable Branch of foreign Commerce neglected by us, the Profit of which will over and above the Hazard and other Expences of adventuring exactly bear 3 *per Cent.* Interest for the Money employed in it, but will not answer Four ; I should think we have more reason to apprehend some ill Consequences from a sudden Reduction of Interest amongst us with relation to our foreign Commerce, which are by no means inconsiderable : Such as

The rashly engaging unexperienced Persons in unprofitable Adventures, to their own and the Nation's Prejudice.

The increasing our Adventures in the several Branches of our present Commerce beyond the Demand for, or the Possibility of vending our Commodities with Advantage at foreign Markets ; and thereby rendring the whole of our foreign Commerce for the future less profitable ; and by this means,

The furnishing a Temptation to the more skilful and experienced Persons, at present employed in our foreign Commerce, to remove with their Effects and settle in other Countries, from whence the Commerce they are best acquainted
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with may be carried on with more Advantage. An Inconvenience which we have the greatest reason to guard against at this particular Juncture, when our Neighbours in the different Parts of *Europe* are so generally attempting to rival us in our foreign Commerce.

And if amongst these Consequences of the sudden Reduction of our Interest, the Money of Foreigners, which either our Government or private Persons amongst us at present have the Use of, (to whom most certainly a higher Rate of Interest than they can have at Home for it, must have been the general Inducement for their trusting it here) should be called from us, and applied to other Uses; a higher Rate of Interest than before may not only be apprehended, but an absolute impossibility of supplying the ordinary Demands of our Commerce for some Time at any Rate at all.

As to the Proprietors of our Lands and irredeemable Annuities, I am content to admit that they may reasonably expect a higher Price to be offered for their Estates in some measure proportioned to and regulated by a lower Rate of Interest produced by and in proportion to any solid and reasonable Causes for it. But I think it has been with Truth observed

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served by Mr. *Locke* on this Occasion, that in this higher Price of their Estates, those Proprietors are only interested who have contracted or want to contract Debts upon their Estates; it being of no Consequence to the Person who neither sells nor mortgages his Estate, or intends to do so, what Price he may procure for it; and it being as plain, that the Person who on this Occasion receives a higher Price on the Sale of his Estate, from thenceforth stands in the Place of the monied Man, possessed of a greater Sum of Money indeed than he could have had before, but which will produce no greater annual Income, nor generally speaking go farther in any Provision he has intended for himself or Family, nor in any other Use that he can apply it to (except the Discharge of such Debts as he may have contracted) than a less Sum would have done when the Rate of Interest was higher. The principal if not the only general Advantage of a lower Interest to the Proprietors of Land, is therefore so far as they have contracted Debts; which Advantage to them and to all other Persons who have contracted Debts, is exactly ballanced in the Publick Accounts by an equal Loss and Inconvenience to their Creditors.

I will desire your Attention, *Sir*, but to one Consequence more, which I think will naturally and necessarily follow a further Reduction of our Interest, if it can by any Means be effected, or for any Length of Time prevail amongst us, without the Concurrence of what I have hitherto supposed to be the natural and only reasonable Causes of it, *viz.* a considerable Diminution of our Expences, which the Publick as our Affairs now stand, and the Proprietors of Land in particular, seem to me not a little interested to prevent. A fourth Part of the Income and usual Profits of the personal Estates in this Kingdom, withdrawn and deducted from the Whole of our ordinary annual Expence, must occasion a very considerable Diminution in it, when not supplied by the Increase of those personal Estates, or the growing Wealth of our Inhabitants, and must from thence occasion a considerable Diminution in the Price and Consumption of our Commodities. And this I apprehend will be the sooner and more sensibly felt, as the Interest of Money and the Profits of personal Estates are more generally the Funds for, and supply the Expence of the Inhabitants of this Metropolis of the Kingdom, than of any other Part of it; and as a Variation in
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our fashionable Expences here is most likely to spread it self by the Force of our Example throughout the other Parts of this Kingdom, where perhaps there may not be the same occasion for it; from hence it deserves well to be consider'd, if the Publick may not lose as much or more in their Revenues arising from different Commodities consumed amongst us, as may be saved by the Reduction of our Interest; or if the Proprietors of Land may not at last find themselves obliged to furnish from their own Revenues, those Supplies for the Service of the Government, which have been hitherto furnished by our Expences. And if it be possible that this Diminution of our Expences should proceed further, in reducing the Price of Labour, and from thence of our necessary Provisions and the Produce of our Lands, the Proprietors of those Estates must in their Turn suffer from the Reduction of their annual Revenues.

From such Reflections as these, *Sir*, it has seemed to me not unreasonable, that we should at least for some Time rest contented with such Reductions of Publick Interest as have been hitherto made: From whence I have been further induced to think, that it would be of considerable

derable Convenience to the Publick, if the Application of the present Sinking Fund, which stands now appropriated to the Discharge of the Publick Debts in general, were by Act of Parliament determined as to the Course and Order in which those Debts should be for the future discharged by it. These Measures with regard to the Publick Debts may possibly have not been hitherto proposed, on account of that Advantage which the Publick may have been supposed for the future to be in a Condition to make in the further Reduction of Publick Interest, while they reserved to themselves the Preference of one Creditor to another in the Order of discharging them; but I submit it, how far this Advantage would be prudently exchanged for the following Conveniencies to the Publick, from determining the Order in which the Sinking Fund should be applied in the Discharge of our present Debts.

First, The annual Income of the Sinking Fund will, by this means, be more fully appropriated to the Payment of the Publick Debts, and the Application of it to that Purpose more effectually secured, by intitling every particular Creditor to expect the Application of it in the Order that shall be so determined.

Secondly,

Secondly, It will be of considerable Use in fixing the Credit of the Publick Funds, and the Confidence of the Proprietors on such Foundations, as will support them in any Time of publick Difficulty, by removing all Grounds for those Apprehensions, which, on such Occasions, are observed greatly to the Disadvantage of the Government to prevail amongst us, that the Income of the Sinking Fund will be applied to some others Purposes than the Discharge of our Debts; and by giving every particular Creditor an Opportunity of computing and satisfying himself in the Value of his Interest in the Publick Funds, from the Knowledge of that Time when his Principal will be punctually paid off.

Thirdly, It will in a great Measure prevent Stock-jobbing, by removing the Temptation to it from the great Variations in the Market-Prices of our Debts, from such extravagant Premiums paid for them in a Time of Peace, as if the Income of them was conceived to be an irredeemable Annuity; and such Discounts on the other Hand allowed upon them, in a Time of the least general Apprehension, as if they were regarded as Debts almost desperate.

Fourthly, It will lay a further Foundation for a greater Equality in the Prices of our Publick Debts, by giving an Opportunity to the Proprietors to suit their own Convenience in the Purchase of such Part of those Debts as are determin'd to be payable, as near the Time as possible when they expect any Occasion for their Money; and prevent in a great Measure the Necessities of the Proprietors being brought to Market, especially in the Manner in which, when any Declension in the Price of Stocks is apprehended, it may be observed often to be done long before they have any real Occasion for their Money.

Fifthly, It will tend to the Increase of our Credit, and the facilitating both of publick and private Loans at the present, or as far as is reasonable to wish for it, at a lower Rate of Interest, by capacitating such of the Creditors, whose Debts shall be in a less remote Order of Payment, to lend out such Sums as they may have by them reserved for distant Uses, in Expectation of being supplied for such distant Occasions by the Payment of their Share in the Publick Debts in the Order and at the Time appointed for it.

And Lastly, such a Determination of the Order in which the Sinking Fund should

should be applied in the Discharge of our Publick Debts, and the Notice the Creditors would thereby have when they should be paid off, would give them an Opportunity of looking out for, and providing the most apt and convenient Employment for their Money against the Time of receiving it; a Convenience to the Creditors themselves, which, as the Publick is always interested in the innocent Improvement of our Estates, may I think be esteemed a general Advantage.

I shall conclude, by putting together what I have been endeavouring to represent about the Reduction of our Publick Interest, *viz.* That the general and usual Rate of Interest in every Country is determined by the Proportion that the ordinary Necessities or Demands for Money amongst the Inhabitants, bear to their Capacity and Disposition to supply them; That any other Rate of Interest produced without a Variation in the Proportion aforesaid, or a Foundation laid for it is not likely to continue; That we seem here to have had the Effect of the late happy Alteration in our Publick Circumstances, in such Reductions of our Interest as have been made already; That the Prospects of a still further Reduction of Publick Interest are a continued Encourage-

couragement to Adventures, which though they may be made to contribute to the producing such a Reduction for a Time, are not to be depended on for the Support of it; That these Adventures are themselves at all Times a general Inconvenience, and particularly prejudicial to the Publick on the Approach of Troubles. I have likewise endeavoured to represent, that the further Reduction of Publick Interest is neither equally necessary, nor of equal Advantage to the Publick, as either of those that have been already made; nor does it want to be explained, that the same Addition to the Sinking Fund, to be now made by the next Reduction of the Publick Interest below 4 *per Cent.* will diminish the remaining Income of the Creditors in a greater Proportion than those before made, and be a greater Inconvenience to them. I have recommended it to be considered, how far a Reduction beginning with the Publick Interest must, if it succeeds, necessarily spread it self, and affect the rest of our personal Estates; and from thence the Opposition that Measures for reducing Interest will some time meet with, where some real Alteration in our Circumstances does not perswade to it. I have proposed it to be inquired, if there be any other general Advantage to be obtained by a lower Rate of Interest amongst us, than in regard to our Publick Debts only. And from such Considerations, would submit it, if it might not be convenient, that not only our Measures for further reducing Interest, but our Expectations of it were at least for some Time suspended; till after the regular Application of the

the Sinking Fund now provided for a few Years, and the Intermission of such extraordinary Adventures as aforesaid in our Publick Stocks, we might with more Certainty collect what lower Rate of Interest our real Circumstances will admit of.

In what little I have said about the Consequences of a lower Interest on our Commerce and Expences, I have referred my self, *Sir*, to Sentiments in which I have had the Honour to agree with You, and must not pretend to have made out any Thing to general Satisfaction: If I had attempted to do so, I should have been carry'd too far beyond the Design of this Essay; and should have been obliged to examine some prevailing Opinions on this Subject, which seem to me so far from being reasonable or true, that I have sometimes thought, that Part of them which the private Interest of particular Persons have not introduced amongst us, to have been taken up merely on Account of their Resemblance to Paradoxes, and for that Reason affording the greatest Amusement in Conversation.

I would not have it, from any Thing I have said, inferred, that I am in general against any Expedient for the much speedier Discharge of our present Debts; I should be glad if any reasonable Method for this Purpose could be thought of; nor would any new Burthen, or Variation in the present Burthen, on the Subjects of this Kingdom, imply'd in any Proposals for this Purpose, be with me an Objection to them, if the Means were but found out of proportioning such a new Burthen, either to the Property or Expences of our Inhabitants in
such

such a manner as would be generally submitted and agreed to: And that such an Expedient were found out, I wish for this general Reason, that whatever in Publick Affairs is thought of great and general Importance to be done at all, should be done, if possible, as soon as it appears to be so; that the most eligible Methods for effecting it are such as may be carried on, and finished under the Direction of the same Persons who were first engaged in them; and that the Success of such Measures should be as little as possible hazarded by the different Sentiments of their Successors. But this Consideration will not go far in recommending the further Increase of the Sinking Fund, by reducing the Interest of the Publick Debts; which upon the Suppositions on which my Calculations have been made, would not, if the Sinking Fund were increased by reducing their Interest to 2 *per Cent.* be paid off in less than 20 Years and a half, or thereabouts; if to 1 *per Cent.* in less than 18 Years and 4 Months; or if the Creditors would be satisfied without any Interest at all till the Payment of their Principal, in less than 16 Years and eight Months.

I am, S I R, &c.

F I N I S.

